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GOLD, BANKS AND THE NEW DEAL[1]

1. Introduction

WE are living today in an era of extraordinary disturbances and uncertainty. It is an era of rapid economic and social change, of great individual suffering and loss in many directions, and of almost frantic struggle after new social and economic ideals. No other period in our history has been so momentous, I think, since the close of the Civil War; none has been so heavily freighted both with danger and with high promise.

Only five years ago, the bulk of our people were basking in a prosperity which, though since proved partly illusory, still exceeded anything we had hitherto known. Then came a totally unexpected financial crash, which in a ruthlessly accelerating progression was followed by the most severe and most widespread business depression in the records of this country—a depression which has thrown a sixth or more of our entire population on the various government bodies, for part or all of their subsistence. Now we are perhaps on the up-grade again, but no one can say with assurance whither we are bound. Much of the economic and social structure which we had painfully built up over generations, and much of the economic and social philosophy, has come crashing down around our heads. Today we are trying to build new structures, new philosophies. But we are doing it while the ruins of the old are still falling, and the dust obscures our vision.

[1] This paper was originally delivered in somewhat different form as an address before the Conference on Higher Education held by the University of Oregon, July 11-14, 1934.

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When President Roosevelt took office a year and a half ago, his actions and policies were chiefly determined by two principal sets of conditions. In the first place, he and his aides had already made very extensive commitments in the campaign speeches and in the Democratic platform. These commitments were rather general in character at the outset, but they became increasingly specific as the campaign went on, and after the inauguration were rapidly translated into explicit legislation. Viewed as a whole, and taken in conjunction with other broad measures which the President has recently proposed, they constitute the New Deal. In the second place, however, on the very day of the inauguration itself, President Roosevelt found an unprecedented economic crisis confronting him. The banking system of the entire country had collapsed almost overnight; industry and trade had fallen to new depths; and a severe national emergency had developed. To meet this emergency, and to start off the process of economic recovery, a set of measures were taken which in themselves had little to do with the New Deal. To date, the recovery measures and the New Deal measures have gone along fairly well together. But certain sharp contradictions between them have developed, and have produced certain fairly serious economic frictions and losses. To understand the course of events since March 4, 1933, it is necessary to remember that these *two* sets of compelling motivations have been at work, and not merely one: that is, the drive for the New Deal, and the drive for recovery.

2. The Banking Crisis of March 1933

Among the various divisions of the Roosevelt program none has been more dramatic, and none more subject to controversy, than the measures dealing with gold, silver and the banks. These measures had their immediate origin, for the most part, in the unprecedented wave of bank suspensions which swept over the country like a prairie fire, in the last months of 1932 and the beginning of 1933, and which ended with the closing of every bank in the United States on March 6, 1933. Why did this spectacular crisis occur?

The real origins of the crisis run back through the whole history of American banking in the preceding twelve years;

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and at bottom over a much longer period. Although many do not realize it, the record of our bank failures is by far the worst of any country in the world. In other leading nations, a bank failure is a rare and major catastrophe. With us, the flood has never ceased. In 1921, we had 30,800 banks; at the end of 1933, only 15,200. Over half of the banks disappeared in twelve years. The explanation was *not* chiefly mergers, but outright failure and loss. Every year took its toll. From 1921 to 1929, over 600 banks failed each year, on the average; in the boom year of 1929 itself, 642 failed. In 1931, 2,298 banks failed, with deposits of $1,692 millions. In 1932 the tide still ran high; and in March of 1933, the whole banking system crashed. When the storm was over, it was found that in 1933 some 1,780 more banks had been closed outright or had been indefinitely suspended, with deposits reaching the unprecedented total of two and a quarter billion dollars.

For this growing volume of bank failures, and for the ultimate collapse, there are a number of explanations. The most important one, I think, is simply that we have had too many and too small banking institutions. Other leading countries number their banks by tens; we number ours even now by thousands. This means that the average bank is small, is costly to run, and is operated by men who however honest, are often inefficient; and who are sometimes downright incompetent. That we still have so many small, poor banks is due in large measure to the fact that in many parts of the country there is still intractable opposition to the introduction of branch banking on any important scale, as being " un-American " and " dangerous ". But surely being " un-American " in this sense is preferable to being wiped out in a bank which, however " American ", is insolvent.

There have been other major reasons, however, for our recent record of failures. One is the depression from which agriculture has suffered ever since 1921, a depression which put continuous severe pressure on most of the farm-country banks, and which carried many of them down. Another was the great inflation of bank credit which took place in the years from about 1924 to 1929. This inflation was based partly on

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what proved to be a serious over-expansion of industry and commerce, but partly on the extraordinary and largely unjustified boom on the Stock Exchange, and partly on the excessive volume of our foreign lending. Still another factor was the growing proportion of securities and real estate in the assets of the commercial banks. In the boom year 1929, just before the stock-market crash, 56 per cent of all loans and investments of the banks in the Federal Reserve system were security investments or loans on securities. If real estate loans be added, the figure rises to 65 per cent. That is not a commercial banking business at all; it is sheer investment and mortgage banking. Yet those assets were held against liabilities the bulk of which were payable on demand. When the security and mortgage markets began to fall, a large part of the assets froze solid, and the corresponding deposits were gradually lost. Recent years have brought no improvement. At the end of 1933, the figure for security and real estate loans and investments in Federal Reserve member banks had risen to 77 per cent of all loans and investments; and the preliminary figures for June 30, 1934 indicate an even higher percentage.

Our banking system has thus been fundamentally weak and defective for years, and in retrospect the eventual collapse of much of it seems almost inevitable. The actual crash itself, however, its occurrence early in 1933 rather than at some other time, may be ascribed to a special combination of adverse circumstances. The financial hurricane which swept Europe in the middle of 1931 shook confidence here and led to a serious drain of gold. The gold soon came back, but pessimism persisted and business activity continued to decline. Then early in 1932 the Reconstruction Finance Corporation was formed, partly to help distressed banks. This action was not taken as good news, however, but was regarded as an official confession of serious banking difficulties. It led at once to large withdrawals of foreign capital and to a flight of American funds to other countries. Then came the Kreuger and Toll smash; the consequent failure of Lee, Higginson and Co.; increased gold exports; increased runs on banks and the hoarding of cash; and in October 1932 the closing of all the

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banks in Nevada. Thereupon the house of cards began to fall in real earnest. Other states rapidly followed Nevada; in February of 1933 the Louisiana and Michigan banks closed; and in the first days of March, all of the remaining states in the Union took the same step. Even New York, faced by heavy gold exports, drains of cash to the interior, and the withdrawal of interior bankers' balances, was compelled to shut up shop. No banking group in the world, however strong, could have withstood so sudden a strain. President Roosevelt's proclamation of a national banking holiday merely confirmed the action already taken by the several states individually.

Such was the bank crisis of March 1933, and such was the situation that confronted President Roosevelt at the very moment of his inauguration. Of the steps he then took, some were designed only to deal with the immediate emergency. But others were of a more permanent character, and reflected the adoption of quite new monetary and banking policies. These policies were apparently not devised all in one piece, but were evolved, at least in part, under the real or the alleged pressure of current economic and political events. They have to date had three main divisions, involving respectively gold, silver and the banks.

3. Gold

First, gold. The measures taken by the Roosevelt Administration with respect to gold have been both more spectacular, and at the outset more important, than any others in the currency and banking field. To date, there have been three principal phases in the development of the Administration's gold policy. The first was the abandonment of the gold standard, in the spring of 1933; then in October 1933, the inauguration of a deliberate policy of progressive devaluation of the dollar; and finally, since last January, a return to stability of sorts, but at a low level and only within certain limits.

When the national banking holiday was declared, on March 6, 1933, we had been suffering from serious gold drains to

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foreign countries. To deal with these drains the Emergency Act of March 9, passed while the holiday was still in force, gave the President power to control international and domestic gold movements and the foreign exchanges. It also gave the secretary of the treasury power to require the surrender of all gold coin and gold certificates. When the bank holiday ended, gold exports were allowed only under licence and in limited amounts. People at once became fearful about the safety of the dollar itself, and a flight of both foreign and domestic capital to other countries began. Under this pressure, since the restrictions on gold exports had removed the ordinary automatic checks on exchange-rate fluctuations, the foreign exchanges at once began to depreciate. Then, on April 20, the gold standard was formally abandoned by presidential proclamation. This meant that the convertibility of various kinds of currency into gold was officially ended. In addition, gold exports were entirely prohibited, with a few minor exceptions; and the campaign against gold hoarding and holding was inaugurated. Finally, in May, the Thomas amendments to the Agricultural Relief Act gave the President power to reduce the gold content of the dollar by as much as 50 per cent—that is, to devalue it; and also gave him the power to go over to a bimetallic standard. On June 5 a congressional resolution drove in the last spike by abrogating the gold clause in all contracts, government and private.

These measures took us completely off the monetary base which had been established after such a struggle, thirty-three years before, in the Gold Standard Act of 1900. They substituted for that base a dollar of uncertain gold content and value, which could not be exported to meet debts abroad, and which might at any time be transformed into a bimetallic gold and silver dollar, again of unknown value. I shall discuss the general merits of these measures, and their effects, at a later point. Here I want to point out only one thing. The abandonment of gold was defended at the time as "necessary", because of the huge current exports of gold to foreign countries. The gold exports were large, it is true, but it should be emphasized that they had not yet come anywhere near the

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danger point. When we went off gold, the Federal Reserve Banks still held nearly two billion seven hundred million dollars' worth of gold, which was a quarter of the monetary gold stock of the entire world; the gold reserve ratio of these banks was still at 45.6 per cent, well above the minimum legal requirement; and finally, the Reserve Banks had failed to take any of the conventional and familiar steps for checking the current gold exports. The New York and Chicago rediscount rates, for example, were only 3.5 per cent at the outbreak of the bank crisis, and were not raised later. It is therefore entirely permissible to deny the alleged contemporary "necessity" of abandoning the gold standard. Rather, the abandonment must be viewed as part of the general program of currency and credit inflation then being developed, and must stand or fall with that program. We were not forced off gold; we simply elected to abandon it, and with it a host of solemn promises made by the Federal Government in other years.

The second phase of the Administration's gold program was the inauguration of the Gold Purchase Plan, in October 1933. This was the first application of the "commodity dollar" scheme. Under the Plan, the Reconstruction Finance Corporation was authorized to buy newly mined American gold here, and both to buy and sell gold abroad, at such prices as it might determine. The Corporation at once began to buy abroad at rates substantially above the current foreign exchange rate equivalents, and thus further depreciated the dollar itself. The purpose, as stated by the President's advisers, was to raise American prices to about the 1926 level, and then to stabilize them.

The governing idea behind this gold-purchase and price-raising scheme seems to have been the somewhat naïve deduction that since, in other eras of inflation here and abroad, the money prices of commodities in general and the money price of gold had moved roughly together, it should *now* be possible to raise the dollar prices of commodities in general, by *first* forcing up the dollar price of gold alone. It was also hoped that the depreciation of the foreign exchanges would increase the dollar prices of our export commodities; and that this rise

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would spread through the whole structure of our domestic prices. In point of fact, however, American prices actually *fell* a little under the Gold Purchase Plan, instead of rising by the large amount the advocates of the Plan seem sincerely to have hoped for. In addition, confidence was again shaken; and the depreciation of the foreign exchanges both aroused resentment in other countries, and caused a certain amount of additional deflation there. Without any trumpet-blowing, the Plan was therefore soon allowed to lapse.

The third stage of the gold program, and to date the last, was the passage of the Gold Reserve Act in January 1934. This Act expires in two years. It gave the government title to all the monetary gold in the country, including that held by the Federal Reserve Banks as their own ultimate reserves. The government was to pay for the gold in gold certificates or other cash, or in gold-covered Treasury balances. In addition, the President was again explicitly given power to revalue the dollar, at rates to lie between 50 and 60 per cent of the former gold content. Finally, the coining of gold was forbidden. Gold certificates were to be convertible only into gold bars, under conditions to be prescribed by the Administration.

Under this Act, the President at once set the gold value of the dollar at 59.06 per cent of the former figure. The Treasury also announced that gold bars could be obtained for export to foreign central banks and for use in approved domestic industries and arts, but not for any other purposes.

This last Act thus has one advantage over the preceding measures, in that it confines the possible fluctuations of the dollar within definite limits. But the limits are 20 per cent apart, which is a good deal; the dollar is still variable within them; and it still seems likely that the value of the dollar will be arbitrarily shifted up or down, according to how it is desired to influence prices. To this extent, the commodity-dollar theory has been retained. Moreover, the passage of the Act did not materially diminish the general uncertainty and lack of confidence which prevailed before it was passed; and it is clearly placing great difficulties in the way of those who wish to make contracts at long term, either at home or with foreign

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countries. Finally, the Act gives powers to the Treasury which properly belong in the Federal Reserve Banks alone, and which I believe cannot be exercised by a political agency without grave dangers; of this, more later. Only that feature of the Act which restricts the convertibility of paper money to gold bars seems to me entirely praiseworthy.

4. Silver; Paper Money

The Roosevelt Administration has also "done a good deal" for silver. It should be emphasized, however, that the silver measures stand on ground which is quite different from, and perhaps less defensible than, the gold measures. The silver agitation is primarily political. It does not spring from any major economic interest of the United States as a whole. Seven states produce silver; and the value of their whole silver output in 1932 was equal to less than half the value of the 1932 peanut crop. Silver itself, to repeat, is thus hardly a major economic interest of this country. But the seven silver states have fourteen senators, and these fourteen are not all silent men.

The principal silver measures to date have been four in number. The Thomas amendments of May 1933 gave the President unqualified power to place the country on a bimetallic basis, at a valuation for silver to be determined by him. At a single stroke, and I suspect without real comprehension by most of the country, the verdict of the Bryan campaigns was thus reversed. Provision was also made for accepting payment in silver on the debts due our government from foreign governments, and in silver at 50 cents an ounce—far above the then-current market price. Second, a so-called silver purchase plan was inaugurated in December 1933, pursuant to the international silver agreement made at the World Economic Conference at London, in the previous summer. The United States is to purchase 24 odd million ounces a year for four years, at a nominal price of $1.29 an ounce—equal at the time to the old Bryan ratio of 16 to 1. But 50 per cent is to be deducted for seigniorage and other charges, making an actual price in paper dollars of 64½ cents. This was still half again

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as high, however, as the then-current market price of silver. It sets a mint ratio of silver, relative to the old gold dollar, of about 50 to 1. The then-current market ratio was 75 to 1.

Third, the silver bill passed in June 1934 authorizes and directs the secretary of the treasury to buy silver, at not over 50 cents an ounce, until such time as the so-called "monetary value" of the stocks of monetary silver is equal to one third the value of the stocks of monetary gold. This, however, turns out to be a singularly vague instruction. The so-called "monetary value" of silver is not specified, in terms either of gold or of paper money, but is left to the President to establish. If carried out along plausible lines, it is estimated that this bill will entail the purchase of about a billion ounces of silver. Finally, on August 9, 1934, silver was "nationalized" at 50 cents an ounce by Treasury proclamation, with a view to effectuating the prescribed 3 to 1 ratio of gold stocks to silver stocks. The next day it was announced that paper money would be issued against Treasury holdings of "free" silver at a valuation for silver of $1.29 an ounce—in itself a markedly inflationary step. The practical effect of these last measures, however, does not seem likely to be great.

In sum, the silver measures give the President power to commit this entire nation to bimetallism, and at a ratio to be selected by him alone. Yet bimetallism has been condemned over and over by the practical experience of nation after nation, ourselves included, and has existed nowhere since the 1870's. It is thoroughly discredited as a monetary standard, for it results not in giving a wider and stabler base for the currency, but only in driving out the dearer money with the cheaper money—sometimes silver, sometimes gold. In the case of this country, we should probably end up by substituting silver for gold, so far as enough silver could be bought, and we should probably lose that much gold; but unless other steps were taken, little else would happen.

A better case could be made for the silver purchases if they were likely to have more effect on general prices in this country. One could then support or attack them on the same grounds as currency inflation in general. But their effect on

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our prices, at least in the near future, seems likely to be small. When we already have redundant bank reserves and a redundant cash circulation, adding half a billion dollars more cannot make any very great difference to general prices; half a billion is only about two per cent of the total of cash in active circulation plus net bank deposits. Nor are the silver purchases likely to help our foreign trade greatly, even with the few silver-using countries—the chief of which is China. Our imports from those silver countries will become dearer as the price of silver goes up, and will hence fall in volume; and any stimulus to our exports will be reduced in proportion as the desired rise in our own internal prices appears—if it does. In our trade with non-silver-using countries, the effect will be nil, except so far as our foreign exchanges depreciate further; and under the present legislation they can go down only the equivalent of another nine cents. The sole clear gainers from the silver legislation have been the little group of silver miners, and the silver speculators.

Certain other measures have also been passed which affect parts of our currency system, and which are likewise inflationary in tendency. In 1932, under President Hoover, fear of a gold shortage led to the passage of an act permitting Federal Reserve notes to be backed by government bonds above the minimum 40 per cent gold requirement, instead of by eligible commercial documents alone. This, I fear, will tend to make the Reserve note circulation inelastic downward. Unless repealed, it will hence be a step in the wrong direction. The National Bank note circulation was also broadened in 1932, by increasing the number of government bond issues that could be used as backing for such notes, but this measure has apparently had little effect.

Then in March 1933 the Emergency Banking Act greatly enlarged the base of the Federal Reserve *Bank* notes, by permitting their issue against commercial documents as well as against government securities. Since no gold reserve is required against these notes, this provision makes them an important potential source of currency inflation. To date, however, the actual effect has again been slight. Finally, the

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ubiquitous Thomas amendments of May 1933 authorized an issue of three billions of additional greenbacks. This measure was violently attacked at the time, as constituting inflationism gone mad. I doubt if a close examination, however, can wholly justify the attacks. The greenbacks are to be issued only in exchange for government obligations bought by the government itself, and 4 per cent of the issue is to be retired each year. From the point of view of the government, and taken over time, this looks essentially like a device for merely replacing interest-bearing obligations with non-interest-bearing ones, and subject to a 4 per cent sinking fund. Certainly it is not rampant inflationism.

5. *The Currency Measures: Summary*

What the Roosevelt program on gold, silver and paper money has thus far meant is hence roughly as follows. The gold dollar has been devalued to 59 per cent of its former gold worth; it has been tentatively stabilized, but only within maximum limits that are 20 per cent apart; it has been made, at least potentially, a bimetallic dollar of uncertain content and value, instead of merely a devalued gold dollar; gold and silver have been "nationalized"; very large silver purchases have been prescribed; and the issue of several kinds of paper money has been liberalized.

These measures are all aimed, of course, at inflation, and at inflation of a particular kind: currency inflation. I have already indicated that I do not think the abandonment of the gold standard was technically necessary at the time it took place. In addition, I think that on a strict view the devaluation of the dollar and the abrogation of the gold clause were completely immoral. These acts were a flagrant violation of the solemn promises made in the Gold Standard Act of 1900, and of the solemn contracts made in subsequent government bond issues—notably the Liberty and the Victory Loans. But such a violation of solemn national contracts is perhaps justifiable in times of true national emergency; and in any event is easy to defend after the fact, *provided* the purpose underlying the violation is subsequently achieved.

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Up to the present time, however, that purpose has *not* been achieved. The purpose, of course, was to force up prices through inflation, thus relieving debtors and reviving business activity. The dollar was therefore depreciated by 41 per cent. But in the 18 months from March 1933 to September 1934, wholesale prices have risen only about 26 per cent, and retail prices less than that. Had the price rise been in proportion to the depreciation, it would have amounted to 70 per cent. Apart from the initial and temporary "inflation-panic" increase, I think the rise which actually took place can be accounted for, in part, merely by the cost increases imposed by the N. R. A., the A. A. A., and other measures; and, for the rest, by the consequences of increased government spending (and recently of the Western drought.) Little of it is primarily traceable to the direct effects of the attempted currency inflation. Meanwhile general confidence has been impaired, not increased, by this tinkering with the currency; and general business activity, after shooting up in the inflation panic in the spring and early summer of 1933, has slumped back again. Nothing, either in history or in logic, justifies the belief that currency inflation as such can cure business depression. Its inability to do so has been proved over and over again by the experience of other countries. We are merely providing a further and unneeded demonstration of an obvious truth.

But this is not all. It may well turn out that through these currency measures, we have been storing up serious trouble for the future. If an enduring revival of business activity ever does get started, either of itself or in consequence of continued governmental hypodermics, then it may well turn out that the new measures have laid the groundwork for a later disastrous inflation of the currency, at precisely the time when we do *not* want it—that is, at the beginning of a period of speculative over-expansion and boom. This danger seems to me inherent both in the fictitious increase in our monetary gold stocks, which devaluation produced, and in the provisions liberalizing the chief note issues. Should such an inflationary boom get under way, it and the almost inevitable subsequent collapse are likely to make the events of 1927-1933 seem trivial.

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To put it in a word, therefore, the devaluation, currency inflation and "commodity dollar" measures have very largely failed to achieve, to date, the objectives at which they were aimed. In addition, I fear that they have created grave inflationary dangers for the future, for they will make it harder than ever to control those over-expansions in which depressions like the one we have just been experiencing always originate. I shall consider presently the possible defense for certain types of inflation, when inflation is regarded as a necessary means for financing the tremendous costs of the recovery and the New Deal programs. But even from this point of view, I think that the *currency* experiments cannot be justified. It would have been better on all counts if they had never been attempted.

6. Banks and Banking

The measures dealing with banks and banking, which have been taken under the Roosevelt Administration, are of a somewhat different order from the currency measures. They are fewer in number; and although they too have had a definite inflationary tinge, some of the most important of them lie on a rather different plane.

The Emergency Banking Act of March 9, 1933, which was passed while the national banking holiday was still in force, gave the President broad powers. Some of them have already been noted. In addition, under these powers all banks which were members of the Federal Reserve system were forbidden to reopen until they had been examined by the appropriate federal authority and had been found sound. Similar action was taken by the several states with respect to the banks not under federal control. The great majority of banks were in fact licensed to reopen within two or three weeks of their closing, and the immediate purposes of the Emergency Act were achieved. Confidence in the banks was restored, hoarded money flowed back into them, and for a time general business activity picked up rapidly. Indeed, under the fear of more extreme measures a mild "inflation boom" got under way and ran for some months. But it should be pointed out that from March 16 to December 30, 1933, some 1,100 of the originally

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closed banks were placed in liquidation or receivership; and that on April 25, 1934, the latest date available, over 1,000 other banks were still operating on a restricted basis. The toll of the post-holiday period was therefore heavy. It is estimated that the ultimate loss to depositors, in the banks closed since the holiday, may run as high as two and a half billion dollars.

In addition, the act gave the President power to appoint conservators to take over suspended national banks, a procedure intended to be more expeditious than the ordinary receivership. The Reconstruction Finance Corporation was also authorized to buy the preferred stock of banks which were weak, though officially "sound", without double liability; such purchases have apparently been the opening wedge, in some cases, for the exercise of certain rather debatable pressures. Finally, the Emergency Act and subsequent steps taken under it gave the Federal Reserve Banks the power to lend to anyone at all on notes secured by federal obligations; and, for one year, to lend to state banks on any eligible security, if they complied with the Federal Reserve requirements in regard to their own reserves. These last measures were designed to allow non-member state banks which were in distress to get help from the Federal Reserve during the emergency.

Two months after the Emergency Act, the Thomas amendments to the Farm Relief bill injected a further definitely inflationary element into the banking situation, as they had into the purely monetary situation. They gave the President the power virtually to compel the Federal Reserve Banks to buy as much as three billion dollars of federal government and related securities in the open market; and they provided that these purchases should *not* be viewed as disturbing the reserve ratios of the Reserve Banks themselves. In other words, with respect to the operations in question, the reserve requirements legally imposed on the Reserve Banks were simply abrogated. These measures have been widely attacked. On examination, however, it appears that the inflationary danger in them is only potential, not immediate. In a time of inactive demand for bank credit, with an enormous surplus of commercial bank

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reserves already lying idle, it would not matter whether three billions or thirty were purchased. The immediate effect on business would be zero. And such has actually been the result to date. But if business and the demand for credit revive, then these open market purchases, if carried out, will provide a very real and very dangerous foundation for a severe credit inflation—again at the wrong time.

The Thomas amendments also carried one interesting provision, however, which works in the other direction. They gave to the Federal Reserve Board, on an affirmative vote of five members and with the approval of the President, the power to change the reserve ratios required to be maintained by the member banks of the Federal Reserve system. This power, if exercised courageously and in time, would evidently offer a pretty definite check to any runaway credit inflation. On the basis of our own banking history in the years just before 1929, however, one is entitled to legitimate skepticism as to the effectiveness with which this power is likely to be used, if the need for it later arises, and especially as to whether it will be exercised promptly enough.

Finally, the Glass-Steagall Act of June 16, 1933 worked a drastic change in the whole structure and complexion of our banking system. It did two principal things. In the first place, it accomplished a complete separation of commercial banking from investment banking. The separation, I think, requires no explanation and no defense. It deserves the highest praise. In consequence of this step, it will no longer be possible for bank corporations and officers to use their positions of power and trust to promote the flotation and manipulation of securities, too often of doubtful value, nor to imperil their depositors' money in such commitments. And it will be at least much more difficult, if not completely impossible, to effect those ominous combinations of industrial and banking power, which in the past have so often preyed on the public for the benefit of insiders. Moreover, the separation is a move in the direction of correcting that fundamentally vicious banking situation I have already referred to, in which the demand deposits of the country are predominantly backed by loans and

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investments in securities and real estate, rather than by short-term commercial documents. These things are all to the good.

Second, however, and over the bitter opposition of Senator Glass himself, the Glass-Steagall Act also provided for guaranteeing a large part of the deposits of all Federal Reserve system member banks—and also, for a limited time, of non-member banks who come into the scheme. The administering agent is the new Federal Deposit Insurance Corporation; the term "insurance", however, seems somewhat of a misnomer. Under the original temporary plan, deposits were guaranteed in full up to $2,500 for any one depositor. This plan was to expire July 1, 1934, but by an amendment passed last June was extended for another year, and the guarantee coverage was increased to $5,000. Under the permanent plan, which now comes into force next July, the guarantee covers in full all deposits up to $10,000, 75 per cent of the amount between $10,000 and $50,000, and 50 per cent of the amount above $50,000.

The funds to effectuate the guarantee are obtained through subscriptions to the stock of the Insurance Corporation. The Treasury was required to subscribe 150 million dollars, and the Federal Reserve Banks an amount equal to one-half of their surpluses on January 1, 1933, or roughly 135 millions. In addition, under the temporary plan the participating banks whose deposits are guaranteed have paid in subscriptions equal to one-quarter per cent of their total deposits. Another quarter per cent is callable; and under certain conditions a further half per cent can be required. Under the permanent plan, the participating banks are to be assessed one quarter per cent in cash, with another quarter per cent callable; but further assessments of one quarter per cent can be levied without limit. Stock held by the participating banks receives dividends, but has no vote. Non-member banks who wish to remain in the guarantee scheme after July 1, 1937, must first become members of the Federal Reserve system.

Such are the general outlines of the new deposit-guarantee scheme. Its outstanding feature is evidently the liability provisions. Under the temporary plan, the liability of the par-

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ticipating banks is restricted to a possible maximum of one per cent of their deposits; but under the permanent plan the possible liability, and hence the possible cost to solvent banks, are absolutely unlimited. This provision has naturally aroused a good deal of protest, as has the arrangement which levies assessments on the total of each bank's deposits, regardless of the proportion actually covered by the guarantee.

For lack of space, however, I cannot dwell at length here on the merits and defects of the scheme as a whole. Guarantee plans of one sort and another have been tried again and again in this country during the past hundred years, and have always failed. The reason for the failure is always much the same, and is at bottom a simple one. Deposit guarantee penalizes the good banker, while it encourages and protects the poor banker. If the poor banker takes an improper speculative risk, and guesses right, he keeps the profits. But if he guesses wrong, the guarantee fund, which is contributed chiefly by his more cautious rivals, has to make good the loss. No amount of supervision, inspection or bank examination can eliminate this fundamental weakness in the guarantee schemes. The fact that the present scheme is nation-wide in scope only means, I fear, that if it collapses, the collapse will be on a scale which is grander than ever before.

The original Glass-Steagall bill also contained provisions which would at last have given this country what it so badly needs, a set of reasonably strong and well-articulated branch banking systems, covering considerable areas. Such systems would provide a far better solution to the problem of bank solvency than the dubious deposit-guarantee scheme. But these provisions were so emasculated in Congress that they now mean little. The small, inefficient and easily collapsed unit bank is to be with us for another term of years. We can only regret the short-sightedness, and the sheer ignorance, that let so golden an opportunity for constructive action slip by. Let us hope, however, that when the present emergency is passed, the whole of our currency and banking arrangements will be subjected to a thorough and dispassionate overhauling. From such an overhauling we shall perhaps obtain at last that

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sound, honest and intelligently operated financial system which to date we have so conspicuously lacked.

7. *Government Influence Over Banks and Banking*

Such are the principal legislative and administrative measures affecting the banks which have been taken overtly under the Roosevelt Administration. The Administration and its policies have also profoundly influenced the banking system through certain other actions and pressures which, though less conspicuous and far less widely understood, are likewise of the greatest importance. Indeed, the implications for the future seem to me even more disquieting here than in the case of those more overt measures already discussed.

In the first place, the commercial banking system as a whole has been induced, and by force of circumstances almost compelled, to absorb an ever-increasing volume of United States government securities. The total of commercial bank and Federal Reserve Bank investments in such securities was nearly 13 billion dollars on June 30, 1934. A conservative allowance for collateral loans on such securities, over and above direct investments, would hardly be less than another billion. We thus reach the amazing total of something like 14 billion dollars' worth of federal government obligations, held by the aggregate commercial banking system last June. This sum was more than half of the entire federal debt on that date, and was equal to one third of all the bank deposits in the country.

This means that a large part of the rapidly growing volume of federal indebtedness has not been absorbed by permanent investors, but has remained undigested in the banking system; and that, in consequence, the totals of bank assets and bank liabilities have been swollen out of all proportion to the purely commercial needs of the country. The commercial banking system as a whole has become in considerable part simply a bureau operated to provide the federal government with cheap funds, and thus to assist in carrying out the programs of the particular groups now in power in Washington. With more truth than humor, it has been remarked that the commercial

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banks as well as the Federal Reserve Banks are now all government depositaries, because they are where the government deposits its securities.

It is desirable for various reasons that the commercial banks should hold a certain volume of government securities, but the present size of these holdings exceeds all reasonable limits. They entail a true inflation of bank credit today, and they carry the threat of a much greater inflation later, when and if general business activity revives. In addition, these holdings place the Treasury and the commercial banks in a relation of interdependence too close to be healthy. The continued absorption of new government issues and other borrowings by the commercial and Federal Reserve Banks has prevented both the government's credit standing and its general policies from being subjected to the salutary test of independent market valuation. On the other hand the commercial banks, in effect, cannot refuse to absorb large quantities of the never-ceasing flood of new government issues, and at low interest rates. If they do refuse, the market rates of interest will rise and the value of the securities they already hold will depreciate. This would entail a paper loss which, in their present weakened and over-burdened state, the commercial banks as a whole probably could not afford to take. It is a vicious circle, in which the current and not always consistent desires of the politically dominated Treasury are paramount.

To these comments, it can of course be replied that the national emergency warrants such actions. The results to date, however, have been meager in proportion to the costs and risks. Bank credit inflation based on government security issues is always a dangerous thing, because it is so hard to control. In time of war, it is defensible and indeed necessary; it enables the war to be carried on. But in peace time, when used as a device for combating business depression, the justification for it is far less clear, because its success in achieving the desired results is far less assured.

In the second place, the Treasury has come to dominate the Federal Reserve Board and the Federal Reserve Banks in nearly all the other important phases of their current opera-

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tion. In consequence, the Treasury has obtained control of the major movements and policies of the whole banking system itself. The history of this dominance goes back to the days of the World War, when the Federal Reserve system properly subordinated itself to the needs of government war-time finance. After the war was over the Federal Reserve attempted to regain its independence, but was never completely successful. In the 1920's, the successive administrations at Washington consistently strove to promote prosperity by keeping interest rates low, and incidentally to refund and retire the public debt advantageously. This drive for low interest rates, which was essentially political in origin, dominated the Treasury; and the Treasury in turn sought to impose its views on the Federal Reserve. Careful students have concluded that the Federal Reserve never managed to free itself entirely from this pressure, and that in various critical periods it yielded completely, at the expense of an adequate recognition of other major factors in the current banking and business situation which should probably have been treated as controlling. The events from 1927 to 1929 are the leading case in point.

Then when the depression set in, the contemporary Washington administration again sought to keep interest rates low, and to float large government borrowings, in the hope that these measures and their corollaries would stimulate recovery. The Federal Reserve was again compliant. In recent months, and indeed ever since President Roosevelt's inauguration, the Federal Reserve has been operating almost like a division of the Treasury itself, and has executed without serious overt protest all of the measures required to finance the New Deal and the recovery programs. The Reserve Banks have continued to hold interest rates at levels which are almost meaninglessly low; and both they and the commercial banks, as already remarked, have continued to take large blocks of the endless billions of new securities and other loans which the Treasury has poured out. In response to what is again at bottom primarily political pressure, a completely artificial and potentially dangerous situation has thus been created in both the money markets and the banking system.

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Finally, the recent legislative and administrative acts described at earlier points, together with the political pressures just referred to, have in effect disinherited the Federal Reserve Banks and the Federal Reserve Board of their most important function. The central bank of the United States is no longer the Federal Reserve organization, except in name alone. The central bank is the Treasury Department. The Treasury does or can control the price of gold, international gold movements and the foreign exchanges; it controls the credit base of the entire commercial banking system, through its domination of the open market operations of the Federal Reserve; and it can even, in fact if not in law, compel the Federal Reserve Banks to absorb very large amounts of its own security issues. There is little of major consequence which is left for the Federal Reserve authorities to do. They simply take orders.

Now the Treasury, like any other department of the government, is in the first instance simply a bureaucracy. The heads of the Treasury, however, are political appointees. Whatever their personal merits, they are necessarily subject to political pressures and motivations. If they were not so subject in some degree, they would not be in office. But a central bank which is to function well as a central bank, with its great objective the general national welfare, and with both the power and the duty to take the long view, ought never to be dominated by current political considerations, nor by current political appointees. The government should perhaps be its most important client, but the government should be viewed as only one among many clients, and should not be allowed to control. A central bank not run on these lines will sooner or later fail badly in its duty, and will betray the trust the nation has placed in it. I think it has been conclusively demonstrated by past experience with central banking, in other countries as well as here, that political control of the operation of the financial system is not likely to work well, and may end disastrously. Manipulation for the benefit of special interests and groups, whether political or economic or social, or in response to the demands of special minority doctrines, is too easy. The national welfare, the necessary balance between conflicting claims, the

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judicious long-run view—these too quickly drop from sight.

Some students assert that the events of the past few years in this country prove the traditional type of central bank, run by independent non-political experts, to be inadequate; they conclude that the government should have full and permanent control. I would deny the relevance of the appeal to history. We have never tried independent non-political central banking here. What we need is not more politics, but less.

8. Conclusions

The measures affecting currency and banking which have been taken under the Roosevelt Administration are thus both numerous and extraordinarily complex. They have completely altered the financial structure of this country. The dollar has been deprived of 41 per cent of its gold content, and is still on an uncertain basis; our foreign exchange relations remain confused; bimetallism has been dragged back from the dust of decades; and the paper money issues have been "liberalized". Investment banking has been violently severed from commercial banking; the deposit guarantee system has been dragged back, again from the dust of decades; and access to the resources of the Federal Reserve system has been greatly facilitated. Finally, most of the central banking power has been taken from the Federal Reserve authorities, and has been given to the politically dominated Treasury.

These are tremendous changes, whose full import is perhaps not clear even yet. It would be wholly erroneous to view them in isolation, however, either from one another or from the broader recovery and New Deal program of which they are a part. The bulk of the currency and banking measures should be judged, I think, in two different though related lights. In the first place, except for the Glass-Steagall Act they represent a general drive toward currency and credit inflation. This drive has been based on the premise that if you merely increase the quantity of your currency and credit, prices will rise; business recovery will ensue; and the now distorted relations of debtor and creditor, of farmer and industrialist, will be rectified. The premise has not stood up well under the test

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of actual application, however, and I think the wiser heads in Washington have abandoned it. The fundamental difficulty with it has often been expressed in a familiar proverb: you can lead your horse to water, but you cannot make him drink. It is idle to create additional currency and credit when no one wants to use them.

In the second place, the currency and banking measures also represent in considerable part an attempt to finance the costs of recovery, and of at least a part of the New Deal. Seen in this light, they evidently stand on a very different footing. If one thinks that the enormous expenditures made and authorized under the Reconstruction Finance Corporation, for emergency and farm relief, for Public Works and all the rest, are justified in themselves, then one must also defend a considerable part of what has been done in the fields of currency, banking and government finance. Tremendous borrowing, artificially easy money markets, a good deal of government domination of the banking system, perhaps even currency devaluation—these are then all necessary, for there is no other way by which the government can raise vast sums of money in a short time. I shall not attempt to say here whether I personally think these expenditures have been warranted. Final judgment must rest in part on events that are still in the future. Certain figures, however, are worth noting. The increase in the federal government debt from 1930 to September 1934 has been roughly eleven billion dollars; and present appropriations as yet unexpended make three billions more. The total direct cost of combating depression and starting recovery, thus far incurred or appropriated by the federal government, hence amounts to some fourteen billion dollars; and there is undoubtedly more to come. Outlays by the state and local governments have also been very large, though of course made chiefly for relief. To give some idea of the order of magnitude involved, fourteen billion dollars is 35 per cent of the entire national income produced by this country in 1932; and is roughly half of the whole initial direct cost to our government of waging the World War.

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In order to raise these sums we have mortgaged the future, not only of ourselves but perhaps of our children, and even of our children's children. It must evidently be a profoundly important question, for all citizens to ponder, whether this burden is likely to be justified by the results likely to be obtained. The government has tried to take over those functions of reviving business activity and of relieving individual distress, which in other generations and other depressions were left very largely to private initiative. Can the government succeed; and even if it does succeed, will the success be worth the cost?

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CHINA AND KOREA, 1885-1894

A few years ago, while engaged in an examination of the dispatches from Korea in the archives of the American State Department, I was impressed by the new light which they shed on the underlying causes of the Sino-Japanese War. The American representatives in Seoul, between 1883 and 1894, were in almost every case respected and trusted by the King and his loyal officials, they enjoyed direct communication with the sovereign, they were primarily interested in the welfare of Korea, and, unlike some of their colleagues, they played no favorites among the three powers which sought influence or control in Korea. Their reports on the international rivalries in Seoul should possess, therefore, a considerable historical value because of their objectivity. So far as I am aware the Korean dispatches in the State Department are the only archive materials which have been examined, in their entirety, by scholars. Eventually the American reports may be supplemented by those in the archives of China, Japan, Russia, Great Britain and the other European countries, a few of which have recently become available as indicated below.

I. The Significance of Proximity

Before there can be any understanding of the rivalry of China and Japan in Korea in the latter part of the nineteenth century the location of the three states must be examined. Japan is much nearer to Korea than is China. From Shimonoseki to Fusan the distance is only 122 miles; from the Great Wall to the Yalu, it is some 400. Again, from Fusan to Seoul is 274 miles; and from the Yalu to Seoul some 309 miles. But nearer than Shimonoseki is the Japanese group of islands known as Tsushima, the nearest of which is only some thirty miles from Fusan. In other words, Korea was an easy sea-trip from Japan, while it was a long and arduous land trip

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from the Great Wall. Bearing in mind, also, that southern Manchuria, through which the land route ran, was frequently held by tribes and kingdoms hostile to China, down to the time when the Manchus merged their homeland with the old Empire, it is evident that contact between Japan and Korea was always easier, and at times more intimate and frequent than that between the latter and China. It was the seclusion policy, adopted by Japan in 1636, which prevented the normal development of these contacts.

In addition we know of the presence of many Korean emigrants in Japan, and the influence of Koreans in spreading Chinese culture in that land. From the early Christian era Japan was in constant relations with the three Korean kingdoms, especially Pekche (Kudara), and for some centuries before 562 the Japanese held a base on the southern coast of the peninsula. These formal relations ceased after the T'ang dynasty destroyed Japan's old ally, Pekche, about 663. Then came the Mongol-Korean attempts to invade Japan in 1274 and 1281, the daring raids of Japanese pirates on the Korean coasts, and finally the ill-advised and disastrous invasions of Hideyoshi in 1592-1598, when he sent his warriors to hack a way through to China. It is interesting to note that three Japanese trading settlements existed on the south coast from about 1440 to 1512; that Fusan was reopened in 1572, and, except for a short time after Hideyoshi's invasion, was the center of Japanese-Korean trade down to the opening of treaty ports in 1876. At Fusan the Japanese merchants enjoyed an annual grant of rice from the Korean treasury. No Chinese, on the other hand, was allowed to visit Korea by sea until the trade regulations of 1882. Trade was conducted on the border, although Chinese merchants, who arrived overland, had establishments at Seoul and Yang-hoa-jin.

Korea's relations with China, down to the middle of the seventeenth century, were not too amiable. There was the Han invasion of 108 B. C. which brought a portion of northern Korea under direct Chinese rule for some twenty years. It was from these Chinese outposts that culture seeped through the peninsula and was carried over to Japan. Korea soon

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regained the lost lands and spread into southern Manchuria, where wars occurred with the short-lived states of north China. Then came the three unsuccessful invasions of the Sui emperors (598-612), which only secured a recognition of Chinese overlordship; then the successful invasions of the T'ang (644-668), which destroyed two Korean kingdoms, but which failed to establish permanent possession; then the horrors of Khitan invasions (933-1020) when they were masters of North China; then the Mongols, whose repeated inroads (1231-1259) were more devastating than those of the Japanese three hundred years later; and finally the Manchus, who twice invaded Korea (1627, 1637) and won her submission before they conquered China. If the Koreans thought kindly of the Ming Dynasty, which intervened between the Mongol and the Manchu, it was because it did not interfere in Korean affairs, even more than because it sent armies to coöperate with the Koreans against the Japanese.[1]

II. The Significance of Chinese Suzerainty

In general, it may be said that, after Han days, a strong Chinese dynasty would receive the submission of one or more of the Korean kingdoms; while in days when Korea was strong and China divided, the independence of Korea would be asserted. Han and T'ang, two of the great imperialistic dynasties, tried to rule portions of Korea, but failed because of difficulties of communication. In the latter years a great respect for Chinese culture was perpetuated by the scholar class, with the usual ill effects when an alien culture is taken over without adaptation or assimilation. The Mongol (Yuan) dynasty was the last to consider Korean vassalage more than a ceremonial observance, for the Mongols sent in garrisons, viceroys and local governors who imposed their will upon the King and his officials, and Mongol emperors dictated the succession to the Korean throne. It should be remembered that Li Hung-chang, in 1885, was advised " to revive the practice of the Yuan

[1] General references for Korea's relations with Japan and China: Hulbert, *History of Korea;* Murdoch, *History of Japan* (3 vols.); Takekoshi, *The Economic Aspects of the History of the Civilization of Japan* (3 vols.).

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Dynasty in sending to Korea a supervisor of the King and Queen, whose advice must be followed by the royal couple." [2] The Ming dynasty did not interfere in the internal affairs of Korea, and the Manchus were even more considerate of the Koreans than of their Chinese subjects, for they did not impose the queue upon them, nor did they expect more than the ancient formalities. The Manchus also steadily reduced the annual tribute until it bore lightly on the vassal state, and the tribute missions became annual trading expeditions, in which the envoys, their suite and servants, engaged.[3]

The practice of the Manchu régime was correctly stated by the Chinese Foreign Office (Tsungli Yamen) in response to the inquiry of Mr. F. F. Low, the American Minister, in 1871:

> We may observe, that although Corea is regarded as a country subordinate to China, yet she is wholly independent in everything that relates to her government, her religion, her prohibitions, and her laws; in none of these things has China hitherto interfered.[4]

And two years later, when the Japanese Minister made inquiry, the Tsungli Yamen confirmed the statement which had been made to Mr. Low.[5]

In short, all that the Manchus, and the Ming before them, expected of Korea was the payment of a nominal tribute, sent up by an annual tribute mission, and the asking and receiving of investiture for each new monarch. There was no thought of interference in the foreign or internal affairs of the peninsular kingdom.[6]

To such an Oriental practice the Western Powers and even Japan made no objection. After France signed a treaty which

[2] Tsiang, "Sino-Japanese Diplomatic Relations, 1870-1894", *Chinese Social and Political Science Review*, vol. XVII, p. 92 (April 1933).

[3] Rockhill, *China's Intercourse with Korea from the XVth Century to 1895*, describes the Ming and Manchu periods, but does not include the very interesting Mongol practices.

[4] *U. S. Foreign Relations*, 1871, p. 112.

[5] Ariga, "Diplomacy", *Japan by the Japanese* (Stead, ed.), p. 161.

[6] "This system worked well enough in the historic situation in which it originated. But by the middle of the nineteenth century, that historic situation passed away for [*sic*] forever." Tsiang, *op. cit.*, p. 54.

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recognized the independence of Annam, in 1874, the Annamites continued to send the regular tribute mission to China; but when China began to interfere in the affairs of Annam, a war with France resulted in 1884-1885. So, too, Great Britain, after she had annexed the last remnant of the vassal kingdom of Burma, permitted her to send up the decennial mission to Peking, but after one observance the rite was not repeated.

It was, therefore, not the old tributary relations which had existed in the Ming and Manchu days which were to be questioned, but a new policy of direct interference in the foreign and internal affairs of Korea. This policy was inaugurated by Li Hung-chang in 1885, and carried out by his protegé, the Chinese Resident Yuan Shih-kai, between 1885 and 1894. It was this *new* policy which brought on the war between Japan and China, not an attempt on the part of the former to destroy an *old* relationship. And it is the confusion of the *old* vassalage with the Li-Yuan policy which has misled many Western and Chinese commentators.

On the eve of China's change in policy, Mr. Inouye Kaori, Foreign Minister of Japan, wrote to Mr. J. H. Young, American Minister in China:

> Noting what you are kind enough to say about China's suzerainty over Corea, it only remains for me to add that my Government will be quite content unless something unforeseen occurs, to leave that question untouched. Confident in the perfect adequacy of the rights which their treaty relations with Corea confer upon them, it does not matter to them how much comfort the Government of China may derive from the contemplation of that shadow.[7]

These views were expressed before the Li-Yuan policy was inaugurated. Now comes the statement of Augustine Heard, American Minister in Korea, in 1890, after the policy had been in operation for five years:

> It is a curious fact that it is only since China lost all right to the assumption, if she ever had any, that she claims the vassalage of Corea. Whatever may have been the relations of

[7] Inouye to Young, Feb. 21, 1885, inclosure in Young's No. 701, Apr. 2, 1885.

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the two countries in the past, the signing of the treaty with the United States in 1882 made a new starting point, when the position of Corea was defined, and defined with the consent, if not with the initiative of China.[8]

One other point should be cleared up. In discussing the relationship between China and one of her vassal states, it is sometimes said that China was under an obligation to go to the aid of her vassal. Even Dr. Tsiang repeats this assertion.[9] Irrespective of what the ancient records may show, it is very clear that China in Ming and Manchu days felt no such responsibility. The Ming forces which were sent to help Korea were only dispatched after repeated requests from the fugitive Korean King and when it was evident that Hideyoshi's objective was Peking and the conquest of China. And in the nineteenth century, Great Britain waged three wars against Burma and acquired the kingdom piecemeal without any help being given the Burmese by China. France and Spain waged war on Annam, 1856-1862, but China was too harassed to render aid. When France attempted to punish Korea in 1867, all China did was to protest and waive all responsibility. And France again attacked Annam in 1873-1874, without meeting any forces sent by China to the aid of her vassal. These instances antedate the change in China's policy toward her vassal states. When China did attempt to intervene in Annam, she brought on a war with France in 1884-1885; that lesson might have taught her statesmen that a similar policy in Korea would have as disastrous results. Unlike the Western theory of a protectorate, the Chinese theory of vassalage carried no responsibility for the conduct of the vassal or for its protection.

III. The Significance of Korea's Commercial Treaties

When, however, Korea signed a treaty with Japan, in 1876, which set forth her position as an independent state, and when it is remembered that this treaty was negotiated under the

[8] Heard to Blaine, No. 75, Oct. 21, 1890. Treat, *Diplomatic Relations between the United States and Japan, 1853-1895*, vol. II, p. 445.

[9] "In case of internal trouble or foreign invasion in the vassal state, the suzerain was obliged to send aid." Tsiang, *op. cit.*, p. 53.

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advice of China, then the old status was altered. And when treaties with the United States, Great Britain and Germany soon followed,[10] all with Li Hung-chang's active approval, it is evident that China lost any *right* which she might have claimed to interfere in the affairs of Korea.[11] Li's action in approving these treaties was due to his belief that they would safeguard Korea against Russia, and then against Japan, but he could hardly have been blind to their clearly-stated recognition of Korean independence. And the King of Korea, aware of the support such treaties gave him, urged the United States to advise Russia and France that similar treaties were theirs for the asking.[12]

IV. Japanese Policy

Japan had tried to resume relations with Korea as soon as the Emperor was restored to power in 1868. Attempt after attempt was made, only to meet with rebuffs at the hands of the Regent (Tai Won Kun), father of the boy King. In 1873, a cabinet crisis in Japan was due to a sharp disagreement between the war and the peace parties, in which the former was defeated and a policy of peace with Korea and friendly negotiations was laid down. It should be remembered that Ito was a leader of the peace party. After an attack on Japanese sailors in 1875, Japan made a more determined effort, carefully modeled on the methods of Commodore Perry in Japan in 1853-1854. Happily, the Tai Won Kun had been forced into retirement, the Queen's party was inclined to be progressive, and China advised the negotiation of a treaty, so the convention of 1876 was signed. From that day until

[10] Treat, *op. cit.*, vol. II, pp. 155-161; Tsiang, *op. cit.*, pp. 64-70.

[11] Writing after China had intervened in Korea after the *émeute* of 1882, Mr. Bingham, the American Minister in Japan, reported to Secretary of State Frelinghuysen: "Whatever may be said of the voluntary protection given by China to Corea in the recent revolt, the fact remains indisputable that Corea has retained and exercised the right with the full knowledge of China and without challenge, to enter into treaty relations with Japan, the United States, Great Britain and the German Empire, and therefore for the purposes of international law, Corea is entitled to be considered and regarded as sovereign. (Woolsey's International Law, p. 52, Sec. 37)." No. 1592, Nov. 14, 1882.

[12] Foote to Frelinghuysen, No. 32, Oct. 19, 1883.

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war with China broke out in 1894 the policy of Japan in Korea was peace and independence and reform: independence *vis-à-vis* China, and reform along the lines which Japan was so eagerly adopting. When we know that Mr. Fukusawa, the great Japanese liberal, journalist, educator and friend of America, was active in furthering these reforms we need have no question of the sincerity of his motives. The old ways, which made Korea one of the most backward and worst governed of Asiatic states, must be done away with before her independence could be assured.

So when, in 1882, the Japanese were the innocent victims of a mutiny of unpaid Korean soldiers (in which the Tai Won Kun was almost certainly involved), Japan demanded moderate reparations, but gained a treaty right to maintain a legation guard in Seoul, to be housed in barracks built by Korea. At this time China sent over troops to restore order, and high-handedly seized the Tai Won Kun and shipped him off to China, where he remained a state prisoner for three years. This was an intervention which smacked of Mongol days, for the Tai Won Kun was the father of the King. At this time Japan thought of proposing an international guarantee of Korean independence, but nothing came of it.[13]

In 1884, when Korean reformers sought by direct action to hurry their program, which was being held back by conservatives who found support in the Chinese officials and soldiers, a *coup d'état* was executed which, for a time, placed the King in their hands, protected by the Japanese Minister and his small guard. But the superior Chinese forces took the field, drove out the Japanese, took charge of the King, and for a second time the Japanese legation was burned and the Minister and his nationals forced to flee to the coast.[14] It is evident that the Japanese Minister had given encouragement to the reformers, but it may be believed that any representative of a progressive country would have favored them against the conservative and rapacious members of the party in power. But it is also apparent that the Japanese government had sought no

[13] Treat, *op. cit.*, vol. II, p. 164.

[14] *U. S. Foreign Relations, 1885*, pp. 331-335.

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issue at this time. China was involved in a war with France, and Japan had repeatedly given assurance that she would join in no demonstration against her continental neighbor.[15] One of the indictments which a Korean might well make against Li Hung-chang and Yuan Shih-kai would be based upon the ruthless destruction of this reform movement which showed such wholesome signs of progress between 1882 and 1886.[16] Under Chinese domination Korea sank into the abyss of misgovernment which made the internal disturbances of 1893-1894 inevitable. While a few American employees and missionaries were doing what they could to help Korea, they never had any strong support from their government. Of the three countries whose governments might support their agents and nationals, China, Japan and Russia, only Japan could be counted upon, at that time, to understand and support a reform movement. Neither Russia nor China of the eighties and nineties was noteworthy for devotion to progressive measures.

It was an easy thing to come to an understanding with the terrified Koreans, but Japan found China more difficult to deal with. First of all, she sent her ablest representative to treat with China's leading statesman. Count Ito had no intention of using the pressure which France was putting upon China to further his own negotiations. Not until the day the French protocol was signed did he begin his discussions with Li Hung-chang.[17] Then he argued for the recognition by China of the independence of Korea, which was considered by Li to be beyond reason.[18] If Li had accepted the reality, and not held out for the shadow, war might have been averted ten years later. But the best Ito could gain at Tientsin in 1885 was a recognition of an equal right for Japan with China to send in

[15] Treat, *op. cit.*, vol. II, pp. 180, 198-199.

[16] A Chinese author, who lauds the Chinese reformers of 1898, considers the Korean reformers "demagogues". Hsu, *China and Her Political Entity*, pp. 115, 121, 231.

[17] Tsiang, *op. cit.*, pp. 85-87.

[18] Ariga, *op. cit.*, pp. 197-199. Tsiang failed to note that Ito tried to secure a recognition by China of Korea's independence.

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troops in case of necessity.[19] One of the finest tributes ever paid to the great Japanese statesman was written by Li Hung-chang at this time:

> The Ambassador has travelled much in Europe and America, and is doing his best to learn what the West has to teach. He really has the capacity for ruling a nation. He emphasizes the development of commerce, the cultivation of friendly relations with foreign nations, the increase of national wealth, and the strengthening of national defences. He does not talk lightly of war and of annexation of small countries. In about ten years, the wealth and strength of Japan will be admirable. This is China's future, not present, source of trouble. I pray those controlling China's policies to pay early heed to this.[20]

Li, however, was in charge of China's Korean policy ten years later, and Ito was prime minister of Japan. The record will indicate how inept were the measures which Li adopted to avoid trouble, and it will also explain how Ito, the firm advocate of peace, was forced to resort to war. In the management of foreign affairs, the ability and the reliability of the Japanese Ito, Inouye and Mutsu, with their American adviser Denison, shone brightly in comparison with the conduct of Li Hung-chang and the ministers of the Tsungli Yamen.

V. Li Hung-chang's Change of Policy

In 1885, China's policy, which was really that of Li Hung-chang, was profoundly altered. Between 1875 and 1882, he had favored the protection of Korea by treaties with the Powers, especially the commercial nations. After the *émeute* of 1882 he began to assert China's overlordship. In September 1882 commercial Regulations were drawn up by Li and accepted by Korea. These set forth the tributary position of

[19] The Sino-Japanese agreement to withdraw the respective military forces from Korea did not affect the Japanese-Korean treaty of 1882 which gave Japan the right to maintain a legation guard. This treaty had been implemented in 1885, when the barrack area was enlarged. For the time being the Japanese guard was withdrawn in July 1885. *U. S. Foreign Relations, 1885*, p. 350.

[20] Tsiang, *op. cit.*, pp. 106.

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Korea and stipulated that the commercial privileges assured to the Chinese were to be enjoyed by no other people. Now, for the first time, could Chinese trade with Korea by sea. Additional regulations, equally exclusive, were drawn up the next year.[21] Between 1882 and 1885 a Chinese garrison was stationed in Seoul, and a civil officer, with the title of Commercial Agent, represented Li there. In Peking, the annexation of Korea was discussed.[22] This Li did not favor, but he did listen with approval to the suggestion of the wily Tai Won Kun, then a state prisoner at Paotingfu, that China revive the Mongol practice of sending a supervisor to Korea.[23] On Li's recommendation, Yuan Shih-kai, who had accompanied the expeditionary force to Korea in 1882 and who had played a prominent part in the attack upon the Japanese in 1884, was designated. While the career of Yuan in later years, as judge, governor, viceroy, premier and president, is better known, his Chinese critics could have gained an earlier estimate of his character if they had known of his conduct as the domineering representative of China at the court of Korea. Li also made feeble efforts to arrive at an understanding with Russia, and it is at least probable that Great Britain would then have joined in a pact to respect the integrity of Korea. Tsiang thinks "that Li and the Yamen missed a great opportunity to stabilize Korea."[24] But the most likely explanation of his refusal to do so would seem to be his unwillingness to sacrifice the special position of China. In this period, and down to 1894, Great Britain backed China against Russia, and supported Chinese pretensions in Korea, in opposition to the respect for Korean independence consistently advocated by Japan and the United States.

VI. Yuan Shih-kai's Conduct in Korea

For some months after the *coup d'état* of December 1884 the Chinese were in control of the King and court in Seoul. The American Chargé, Ensign George C. Foulk, a very capable

[21] *Treaties, Regulations, etc., between Corea and Other Powers* (Shanghai, 1891), pp. 64-81.

[22] Tsiang, *op. cit.*, p. 76.

[23] *Ibid.*, p. 92.

[24] Tsiang, *op. cit.*, p. 99.

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representative, reported that the Chinese had between 900 and 1300 men, and the Japanese "an admirably equipped force of 600 soldiers." "The troops are well disciplined and under perfect control, offering a marked contrast in this respect to the Chinese soldiers, who present rather the appearance of a semi-organized rabble."[25] The King, it seemed, was in the practice of dealing directly with Foulk and the other foreign representatives, because

> as shown by abundant evidence . . . the operations of the General Government have been directed by Chinese governmental influence in various surreptitious ways and backed by a vigilant force of Chinese troops: the King has been forced by these circumstances to act apart from the General Government to effect his plans for obtaining real independence for his country and an improvement in its civilization, which he would have modelled after that of the West.[26]

A few days later Foulk reported:

> It would seem that the King and truly *Korean* Government is unable to dislodge the influence for China centered in the Korean Foreign Office, or even direct it, without competent Western assistants in its service—and these it cannot promptly obtain.[27]

This of course, referred to the work of P. G. von Möllendorf, Li's agent in the Korean Foreign Office.

The intrigues of von Möllendorf with Russia, and the British occupation of Port Hamilton,[28] threw Korea "more directly and voluntarily under the control of China." Japan, on the other hand, while

> formerly highly active in using her influence in the affairs of Korea, since the treaty of April last with China, has been appar-

[25] Foulk to Frelinghuysen, No. 152, Mar. 9, 1885.

[26] No. 169, May 9, 1885.

[27] No. 172, May 19, 1885.

[28] When the British occupation of Port Hamilton threatened to involve Korea in an Anglo-Russian conflict, the Korean Foreign Office asked for the *good offices of the United States Government* (No. 189, June 29, 1885), but the request was promptly recalled at the instance of the British Consul-General (No. 196, July 6, 1885).

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> ently little more than a passive observer. . . . There is much to indicate that Japan has greatly altered her policy in regard to Korea, yielding much to the Chinese claim of Suzerainty.[29]

In September 1885 a telegraph line from Chemulpo, via Seoul, to the Yalu, was built with Chinese money and under Chinese direction. As Foulk reported, "by close questioning and observation, I can discover that the King and Government of Korea had little or no independent action in the matter at all."[30] This procedure caused a protest by Japan to Korea that it violated rights previously granted her in connection with the Nagasaki-Fusan cable. Even the substitution, by China, of the American Merrill for von Möllendorf, as head of the Korean customs, displeased the King because of the fact of his being placed there "peremptorily in manner by the Chinese."[31]

Yuan Shih-kai returned to Korea on October 3, 1885, in company with the Tai Won Kun.[32] On his first call upon Ensign Foulk he remarked that if Mr. O. N. Denny, who had been American Consul at Tientsin and whom Li Hung-chang had designated, came to Korea as adviser to the Korean government, he, Yuan, "would cause Korea to implicitly follow his advice." This, reported Foulk,

> was the first positive utterance of a Chinese official I have heard to the effect that China would not permit Korea to be free in her foreign and internal affairs. Nevertheless it has long been

[29] No. 214, Aug. 16, 1885.

[30] No. 231, Sept. 25, 1885, omitted from the extract in *U. S. Foreign Relations, 1885*, pp. 354-355.

[31] No. 239, Oct. 14, 1885.

[32] The immediate effect of the Tai Won Kun's return was a temporary breach between the Queen's party and the Chinese, the whole power of the former "having been dependent upon its happy relations with and the unwavering support given by China." (No. 243, Oct. 20, 1885—omitted in the extract printed in *U. S. Foreign Relations, 1885*, p. 361). Fearing internal disorders, an envoy was sent to China to request a Chinese garrison—in spite of the Tientsin Convention. Foulk believed that the request was dictated by the Chinese authorities (*ibid.*). The request, however, was denied by Li Hung-chang (No. 258, Dec. 5, 1885).

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> apparent to me that China controls Korea with an oppressive and strong hand.[33]

Before assuming his new office, Yuan returned to Tientsin for instructions, and took up his post in Seoul in November. On the 18th, Foulk was advised by the Korean Foreign Office that Yuan was to assume charge of (China's) diplomatic and commercial intercourse with a title much higher than that of the late commissioner. This was made clear when Foulk received a card which bore the subscription in English "H. I. C. M. Resident," and he was told by Yuan's assistant, a young Chinese who had been educated in the United States, that "China cannot give the title of Minister to its representative in Seoul, for that would be for China to admit the independence of Korea." This, of course, disturbed the representatives of the treaty powers. Foulk, in his reply to the Korean Foreign Office, referred to Yuan as "Commissioner with diplomatic powers", and Mr. Baber, the British Consul General, used the title "Resident Commissioner", but both Mr. Baber and Mr. Takahira, the Japanese Chargé,

> expressed the opinion that, this question of the title and functions of Mr. Yuen was a grave one in its bearing upon the conditions and understandings under which the treaties had been made with Korea.

And when von Möllendorf took leave of the King, on the 21st, he remarked "that the appointment by China of General Yuen boded ill to Korea, and advised His Majesty in case of difficulty in dealing with him as China's representative to refer questions to the Foreign representatives."[34]

On November 23, General Yuan called upon Ensign Foulk.

> Believing that the question of an adviser for Korea had some bearing on the increased rank of the Chinese representative, I inquired if Mr. O. N. Denny had accepted China's summons to become the adviser to the Korean Government. Mr. Yuen replied that Mr. Denny would not come to Korea. "That having

[33] No. 240, Oct. 15, 1885.

[34] No. 255, Nov. 25, 1885.

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been settled upon," I remarked, "what would China next do in the way of procuring an Adviser for Korea?" Mr. Yuen replied that China did not wish an adviser for Korea at present, and none would be invited; that in compliance to a request of of the King of Korea, he (General Yuen) had been appointed to this post in Korea, and he would be the adviser to the King and Government, assisted by the foreign representatives whom he would consult. Mr. Yuen went on to state that he had been specially instructed to maintain warm relations with the United States representative in Seoul, and requested me with seeming earnestness to assist him in consultation, adding that he was not familiar with diplomatic usages.

I then referred to the title written upon his card—asking if he was to be regarded as Resident in the sense of that word as applied to the English official who resides with the Rajahs and other Chiefs of State in the Residencies of India. To this question Mr. Yuen did not give a direct reply, but instead, a a general one to the effect that the King of Korea would submit questions of state to him, and he would consult with the other foreign representatives, particularly myself. China, he stated, wished to be guided largely by the United States in Korean matters, and this desire had already been emphasized by the summons by China to Mr. Denny, the appointment of Mr. Merrill to manage the customs of Korea, and the invitation to the United States to furnish military instructors for Korea. I replied by saying that these were flattering to my Government and no doubt highly appreciated by it.[35]

The next day a Korean official came to Foulk from the King to inquire about the coming of an adviser for Korea. It seemed that when a Korean envoy was sent to Li Hung-chang to complain about the Russian intrigues of von Möllendorf, he had been instructed by the King to telegraph to the United States government to urge the speedy coming of an adviser and military instructors. This envoy showed his instructions to Li, who telegraphed in support of the military instructors and summoned Mr. Denny to serve in Korea. "It was not until several weeks had elapsed that the King of Korea knew that China had selected Mr. Denny to become the Adviser to his

[35] *Ibid.*

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Government." While the King was satisfied with the standing and qualifications of Mr. Denny, it was not certain that he would accept Li's appointment, so His Majesty proposed to again ask the United States to designate an adviser. Foulk pointed out the embarrassment which would be created, in view of the peculiar relations of Korea, China and Japan, and suggested that the government might better invite directly some competent person.[36]

In December 1885 Seoul was thrown into a panic by reports emanating from the Chinese Minister in Tokyo that Kim Ok Kiun, the fugitive progressive, had sailed from Shimonoseki with a party of renegade Japanese intending to provoke a rebellion in Korea.[37] With this unfounded rumor we are not concerned, but Foulk's comment is significant:

> To say the least, the conduct of the Chinese representatives in Japan and Korea is greatly to be deplored. The effect of the despatches transmitted by them, and of having made their contents broadly known, can only be to humble Korea and tend to cause her, out of fear of Japan particularly, and all other nations than China in general as well, to shrink voluntarily China-wards —to become but a jealously guarded outlying province of that country.[38]

Not only China, but Great Britain tried to gain advantage from the rumored expedition. "The British Consul General took some pains to impress upon the Chinese representative the advantage of having an English Naval force stationed so advantageously as at Port Hamilton." That Great Britain was now throwing her influence in China's favor seemed evident to Foulk.

> It is quite an established fact that the Korean Customs service, under Mr. H. F. Merrill, an American who was placed in charge peremptorily by China, is regarded by the Chinese and the English authorities as a branch of the Customs of China, the head of which, Sir Robert Hart, is most actively engaged in

[36] *Ibid.*

[37] No. 265, Dec. 29, 1885; No. 267, Jan. 3, 1886; Tsiang, *op. cit.*, pp. 94-95.

[38] No. 265, Dec. 29, 1885.

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political affairs of China and England. The most cordial relations are being maintained here between the head of the Customs, Mr. Merrill, the Chinese representative Yuen, and the British Consul General, Mr. Baber; the general line of conduct and speech of these officials would prompt the inference that they are disposed to ignore entirely independent action of the Korean Government, and to support the ruling of China on all matters of importance pertaining to Korea.

The general result of my observation tends to the belief that England is desirous of operating on Korea to acquire the Port Hamilton group, through China's distrust of Russia, and with this view gives the necessary support to China's pretensions to rule in Korea. His Majesty still refuses to sanction the ceding of Port Hamilton. As to the views of the Korean Government, as represented by the Foreign Office, on this point I am unable to report, but there are evidences that the work of the Foreign Office is more fully reported by it to the Chinese representative than to His Majesty and the Ministerial cabinet.[39]

In January 1886 the Korean customs house at Chemulpo was attacked by a mob, instigated by smugglers of red ginseng and supported by the Chinese community. It was only after a protest against the conduct of Yuan Shih-kai was made to Viceroy Li that the ringleaders were punished. This, in Foulk's opinion, showed the contempt of the Chinese for Korean institutions.[40] And Yuan showed his contempt for both Korea and the treaty powers when, at the New Year's reception at the palace on February 4, he insisted upon being carried into the inner court in his sedan chair.[41]

Judge Denny arrived at Chemulpo on March 28, in a Chinese gunboat. Yuan refused his request to present him at court, "because of differences between the forms of audience for foreigners and for Chinese officials." So he went alone to the palace, where he presented a sealed letter from Li Hung-chang.

[39] No. 272, Jan. 18, 1886. For Sir Robert Hart's policy *cf.* Morse, *The International Relations of the Chinese Empire*, vol. III, pp. 13-17; Tsiang, *op. cit.*, p. 102.

[40] No. 275, Feb. 1, 1886 (Extracts in *U. S. Foreign Relations, 1886*, pp. 210-213).

[41] No. 276, Feb. 6, 1886.

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But the next day he learned, to his surprise, that in the letter which he tendered was a statement that he was to be given the position of Adviser to the Foreign Office, and that he would serve conjointly, by discussion, with Yuan Shih-kai. Judge Denny had understood that he had been given a correct memorandum of the Viceroy's letter, which contained no such reference as was actually found therein. He had understood, and he had informed Foulk and the Korean officials, that he had come to be the General Adviser of the Korean Government, that his duties were by no means limited to the Foreign Office, and that the Chinese representative had no special connection with his functions. It was the expression of such views which now turned Li against him, and it was by no means certain whether he would be received as Adviser. The fact that Yuan had not returned his call, on the plea of sickness, seemed ominous. As Foulk moderately reported:

> I venture to communicate this matter pertaining to Judge Denny's coming here for service in the Korean government in the hope that it may throw some additional light on the actual intentions of China with regard to this country.[42]

The outcome was that Mr. Denny was commissioned both Vice-President of the Home Office and Director of Foreign Affairs in the Foreign Office, the former appointment making him the direct adviser of the King. But this had only been accomplished through a surprising exhibition of firmness on the part of His Majesty, and in spite of Yuan's opposition.

> This opposition was of a very marked character and excited the deep interest of all the foreign representatives here, who were favorable to Judge Denny's being placed in a position of accessibility to the King. Mr. Yuen, after using every endeavor to have Judge Denny made simply Law Adviser in the Foreign Office, where it was intended he should serve with a Chinese official, by operating on the Foreign officials and individual nobles of high authority, finally had audience with His Majesty and advised directly Judge Denny's being placed in the Foreign Office simply. His Majesty, doubtless strengthened by the

[42] No. 290, Apr. 2, 1886.

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support given to Judge Denny by the other foreign representatives, replied that the status of Judge Denny would be decided upon by his own Ministers of State. On the following morning the Commission appointing him to offices in both the Foreign and Home Offices was issued. At one time, the opposition of Mr. Yuen took the form of intimidation of certain officers detailed to attend Judge Denny by His Majesty, and in order to check it, Judge Denny telegraphed to request action of Viceroy Li Hung-chang. Notwithstanding that the facts are as I have reported to the Department, there has appeared under Tientsin correspondence in one of the China newspapers a paragraph to the effect that the King of Korea refused to receive Judge Denny until he was compelled to do so through a telegraphic despatch from the Viceroy, handed him by Mr. Yuen.

There can be no doubt but that the violent and pretentious attitude shown by Mr. Yuen has only tended to draw adherents toward His Majesty and to weaken considerably Mr. Yuen's influence on all sides. It is not possible to ascertain with certainty whether Mr. Yuen is acting solely under the instructions of his government, but the evidences point strongly to such a conclusion.

Our Minister at Peking, Mr. Denby, has informed me of a move of the Viceroy to have Korea included in the mission at Peking. I observe that this move was coincident with Mr. Yuen's announcing himself as "Resident" in Söul. I was recently informed at his office that two of Mr. Yuen's assistants bore the rank of Vice President in the Korean Foreign Office; also that another assistant was proposed to serve with him as Secretary for Foreign Affairs. At the same time, to the Government of Korea Mr. Yuen represents himself simply as Minister. The Customs of Korea would appear to have been incorporated in the Customs of China, the most direct evidence of this being that the Customs Trade Reports—a copy of which I have already transmitted to the Department—appears as a section, merely, of the General Report of the Chinese Customs—in the same manner as though Korea were but a province of China.

From such facts as I have herein cited, it seems to me that China now aims at something at least akin to incorporation of Korea into her own Empire. If such a move be intended it comes too late and must fail. At present China is greatly weakened in adherents to her policy here among Koreans, while

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> Koreans are more than usually united in guarding the independence they possess practically, and are greatly strengthened by the treaties with Western powers. The country is quiet, and fresh signs of progress are visible among the people. It is reasonable to predict a period of progress and general improvement of the Kingdom in the near future.[43]

If, after such treatment at the hands of Yuan Shih-kai, Mr. Denny should have dedicated himself to the service of the Korean government rather than to the interests of China, one would not be surprised. He told Chargé Foulk "that his summons to Korea by China is a result of the Tientsin Convention, in which Japan stipulated that an American adviser to His Majesty's government should serve in Korea", and should he find that Yuan's dictatorial dispatches to the Korean Foreign Office (in respect to the negotiation of a French treaty) showed clearly "any duplicity of intention on the part of China respecting the understandings arrived at between Japan and China in the Tientsin Convention he will lay them before the Viceroy Li for explanation." Mr. Takahira, the Japanese Chargé, was so alarmed at Yuan's conduct, which departed so far from the Tientsin understanding, that he felt the interference of his government to be imperatively necessary. And Foulk concluded:

> So far as I have been able to observe, the conduct of the Japanese authorities in Korea has been commendable and wholly above question, evincing the earnest desire of Japan to abide by the results of the Tientsin Convention. Mr. Takahira has viewed with discreet patience the pretentious attitude of the Chinese representative here, but the warmth of his expressions on the correspondence of Mr. Yuen above referred to shows that his interest is now drawn to the point of interference.[44]

Yuan's interference in the French negotiations convinced Judge Denny that the treaty powers should be represented by agents with full powers, accessible to the King, to whom he

[43] No. 297, Apr. 23, 1886.

[44] No. 306, June 2, 1886. The references above must be to the discussions at Tientsin, rather than to the text of the convention.

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might make known "cases of oppressive or dictatorial interference of China." And it convinced Foulk of the evident intention of China "to make her representative in Söul the sole dictator of all of Korea's foreign relations, and through them, since foreign relations affect the nation to its core, the real ruler of the country." [45]

William H. Parker, whose brief services as American Minister lasted from June 8 until September 1, 1886, reported great excitement in Seoul because of the banishment of four officers of the Home Department, at the instigation, it was understood, of Yuan Shih-kai, "whose course here has been a very domineering one." "It is impossible to foretell what the next action of the Chinese will be, though it looks very much as if China intends to assert her rights to the protectorate of Korea." [46] It was left to Ensign Foulk, on his reassumption of the duties of Chargé, to inform the Department adequately. The story is so bizarre, and sheds so much light on the international situation in Korea, that it deserves summarization. With Judge Denny's assistance, the Korean Foreign Office had succeeded in bringing Great Britain to the point of agreeing to evacuate Port Hamilton, when, early in August, a native newspaper reported the presence at Port Lazareff of a Russian war-ship described as having three masts. Through a mistranslation, Mr. Baber, the British Consul General, understood the report to refer to a fleet of four vessels. He brought the item to the attention of Mr. Waeber, the Russian Chargé, who correctly identified the "fleet" as a Russian surveying ship. But before this correction was made, Mr. Baber seems to have notified Yuan Shih-kai and telegraphed to his legation in Peking.

> On or about August 16th, Judge Denny received telegraphic inquiries from the Viceroy Li Hung Chang. He called on the same date upon the Chinese representative, and unexpectedly found him excitedly haranguing a large number of Korean officials of high rank. The Tai Won Kun had just left the

[45] No. 307, June 2, 1886.

[46] No. 26, Aug. 25, 1886.

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legation, and chief among the Koreans present was Prince Min Yong Ik (who returned to Korea from China in July last). Mr. Yuen stated that he had accurate knowledge of an agreement in writing, bearing the King's seal, the effect of which was to turn Korea bodily over to Russian protection. He went on to say in a wildly excited manner that China would at all hazards put an end to such a movement—would send on his summons 70,000 soldiers into Korea, that he would die fighting, &c., &c., &c.

Judge Denny asked to see the copy of Agreement bearing the Royal Seal—which Mr. Yuen declared himself possessed of, and strongly insisted upon it that if such a paper existed, it was a forgery. He proceeded then to admonish Mr. Yuen upon his rash excitement, pointing out that it tended to create grave disorder in which the lives of foreigners in Söul would be endangered. Mr. Yuen stated that he had been informed from China of the secret intrigues between Korea and Russia, and chided by the Viceroy for his ignorance of what was going on in Korea. Judge Denny then vigorously charged Mr. Yuen with being the sole author of any such information as had reached China; that instead of China's discovering the so-called agreement, Mr. Yuen had invented it and telegraphed his erroneous assumptions to China.

Mr. Yuen had already been to the Palace. His manner there had been violently excited. He threatened to call to Korea a Chinese army. He later himself said to Judge Denny, that at one time while he was in the presence of the King he thought blows would be resorted to.

Judge Denny saw Mr. Waeber, who treated the whole matter quietly and lightly, giving his word of honor that he was in ignorance of any agreement or reported agreement concerning the relations between Russia and Korea.

On August 14, the foreign representatives learned of the arrest of the four Korean officials.

By reason of their knowledge of foreign civilization and other attainments, these four men were pre-eminently in favor at the Palace and most employed in the work of the King and Government of Korea with Western foreigners. It is beyond all doubt that they had long been objectionable to the Chinese authorities.

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> In my despatch No. 297 I reported the intimidation practised by Mr. Yuen upon Judge Denny's assistants; one of these was Kim Ka Chin, [among those now arrested]. Chon Yang Muk [another] has often told me of his sense of danger from the Chinese faction. He told me that in audience Mr. Yuen once produced a list of twenty names of Korean officers who were pre-eminently progressive in their views and workers of the King, and proposed their removal from office as a means of improving the Government.

Judge Denny and Mr. Kempermann, the German Consul General, went to Yuan separately and insisted upon their release. First sentenced to banishment, they were finally only removed from office.

> The charge against the four Koreans was a vague one—of having interfered in matters of Government not pertaining to their offices in speech and action, but it seems to have been understood that the real charge was complicity in the framing of the Agreement between Korea and Russia. . . .
>
> Mr. Yuen's threats and his well known dispostion to do childishly rash things caused the foreigners in Söul some apprehension,

and led to Minister Parker's summoning the U. S. S. *Ossipee* on the 18th.

Judge Denny then proposed to go to Tientsin to report Yuan's conduct to Li Hung-chang. He was preceded by Min Yong Ik, sailing, on the 20th, on a Chinese gunboat, presumably as an agent of Yuan. Judge Denny sailed on September 4, to present the urgent necessity for the removal of Yuan, "and probably to ascertain clearly his own status in Korea." But the Tai Won Kun, who feared for his life at the hands of the Queen's faction if Yuan were recalled, persuaded the King to send an official to counteract Denny's recommendations.

> It has long seemed to me [wrote Foulk] that China would make some bold step with the view of suppressing the independent actions of the King of Korea, and placing the country in a position to preclude the obstructions to her complete direction of affairs.

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Such a move, he thought, was contemplated that summer, when a large Chinese fleet moved along the Korean coast and visited Japan. A clash between Chinese sailors and the townspeople of Nagasaki, on August 15, might have checked China from proceeding to extremes.[47]

For some months Russia had been trying to secure trade rights on her Korean border. Mr. Foulk was shown a copy of the Russian proposals, by order of the King. In brief, they provided for a free zone of 100 *ri* (about 35 miles) on each side of the Tumen River. This would, in effect, advance the Russian frontier that distance into the peninsula and the zone might easily go the way of the no-man's-land which China appropriated in 1875. "China and England are vigilantly watching Russia. I have reason to believe their representatives here are assisting Korea to frame counter-propositions to Mr. Waeber's treaty." [48]

This was supported by a more illuminating dispatch from Foulk of October 14, although one must be on his guard when Li Hung-chang was reporting the conduct of other powers. Judge Denny had returned from Tientsin and advised Foulk of the substance of his interviews with the Viceroy.

> The information I have thus obtained is fully in harmony with the opinion expressed in my dispatch [49]—that the disturbance in Söul was created by the Chinese representative here in an attempt of China to suppress the independent sovereignty of this Kingdom, and that the attempt was frustrated by the unexpected complications in Söul and the fight between sailors of the Chinese fleet at Nagasaki and the police and people of that place.
>
> Judge Denny reports that in his earlier interviews, the Viceroy was disposed to defend the Chinese representative here—Mr. Yuan, against the charges vigorously brought against him by Judge Denny and Mr. H. F. Merrill, the American Chief Commissioner of Korean Customs. The chief charge was that Mr.

[47] No. 3, Sept. 8, 1886. Mr. Denby, in Peking, also believed China had intended to act at this time. *U. S. Foreign Relations, 1887*, p. 186.

[48] No. 6, Sept. 24, 1886.

[49] No. 3, *supra*.

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Yuan had created copies of a purported agreement bearing the seal of the King of Korea, by which Korea was turned into a protectorate of Russia; assuming that the announced existence of these copies would create the impression that a real agreement had been made, he believed that China's right to absorb Korea would be established. These copies were, however, denounced as forgeries from the beginning by Judge Denny, Mr. Merrill, and the several foreign representatives except the Consul General of England, and the two officers named brought their opinion to the attention of the Viceroy by telegram and letters. The Viceroy and Peking Government thus discovered that their ruse was detected; this with the affair at Nagasaki, which foreboded difficulty with Japan, checked effectually the move intended. Judge Denny states that while the Viceroy is charged with the control of Korean affairs for China, it was not at his original instance that Mr. Yuan made his attempt in Söul; that the scheme originated in the Peking Government which ordered the Viceroy to furnish ships of war and men necessary to Mr. Yuan to effect the suppression of Korea. The Viceroy conveyed the idea to Judge Denny that England through her representatives at Peking has long been urgently pressing the Government there to incorporate Korea into her own Empire out and out. The plan decided upon by China was to remove the King, Queen and Crown Prince of Korea to China, place the Tai Wen Kun temporarily at the head of affairs in Korea (because of his popularity and power with the people), and finally to create out of her a new province of the Chinese Empire.

Judge Denny states that the Viceroy fully appreciates the inexpediency of the annexation of Korea, and realizes that England is operating, in relation to Korea, out of purely selfish motives; also, that the Peking Government has had its eyes opened to the fact that it has been handled as a tool by England at the risk of bringing grave trouble upon China. The English Minister had just proposed to China, the opening of Port Hamilton and announced his intention of proceeding to Korea to effect the necessary arrangements. With regard to this, Judge Denny states he endeavored to satisfy the Viceroy that such a mission of the English Minister would be useless—that Korea could not entertain the proposition, and that in view of the manner in which England had occupied the port, Korea could only insist upon its release, and that it was China's plain

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duty to maintain Korea's stand in the matter. To these remarks the Viceroy gave his approval.

After considerable discussion as to the most feasible way in which the inviolability of Korea could be preserved, it was finally decided upon that China should ask Russia to enter into an agreement providing for the neutrality of the Korean peninsula — as regards the two nations. The Russian Minister at Peking was consulted in this connection by the Viceroy and by Judge Denny. Upon leaving Tientsin, Judge Denny was informed by the Viceroy that Russia had regarded the proposition favorably, and the agreement would soon be effected. . . .

I beg to point out that in the above it is Judge Denny's account and opinions that I have given in relation to the intentions of the Viceroy with respect to Russia and Korea and England. I am not so sanguine that China and Russia will enter into a satisfactory agreement with regard to Korea, though this is to be hoped for and is desirable to both those governments. England has already a strong hold upon the Peking Government and will the more energetically endeavor to create Chinese suspicion of Russia's good faith. I regret to add also, that there is evidence to warrant the belief that Judge Denny has not the support and confidence of the Viceroy;—nor in view of his having been selected and summoned for service in Korea by China, has he the confidence of the progressive or anti-Chinese faction in Korea; thus far he has been permitted no confidential and active part in the affairs of Korea.[50]

It is now possible to check some of the points raised in Foulk's dispatches of September 8 and October 14, 1886, from both the Chinese and the Russian angles. It was true that a proposal was made to the Russian Minister that Russia take Korea under her protection. But when a copy of this letter fell into the hands of the Chinese the King denied that the letter emanated from him—although we know that he was accustomed to deal directly with the foreign representatives. It was natural, also, for Mr. Waeber to assert on his word of honor that he

[50] No. 13, Oct. 14, 1886. For further light on Judge Denny's embarrassing situation *cf.* No. 23, Nov. 23, 1886. At this time the King was trying to secure Admiral R. W. Shufeldt, who negotiated the American treaty of 1882, as his adviser. The King requested Judge Denny's resignation early in 1887, and Li Hung-chang offered to send another adviser. No. 49, Jan. 22, 1887.

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was in ignorance of the whole matter. It is also clear that the Peking officials intended to use this incident as an excuse for annexing Korea, and that Li Hung-chang perceived more clearly the danger of such a move and refused to go through with it. Instead, he entered into a discussion with the Russian Minister to China which resulted in an understanding that each country would respect the integrity of Korea, but this agreement was not signed because of an inability to find proper terms to describe China's relations with Korea. It is interesting to note that the Russian government considered this unsigned agreement as the basis of its Sino-Korean policy and spoke of it as the "Tientsin Agreement of 1886". This was the last time China seriously moved toward the annexation of Korea, for after October 1886, Russia would surely stand in the way.[51]

Foulk was succeeded as Chargé by W. W. Rockhill, on December 9, 1886. In one of his first dispatches Mr. Rockhill reported the evident intention of the Chinese Government "to exclude all foreigners and more especially the Japanese from the capital, hoping by this means to make its rule here still more complete." This was to be effected by a clever move on Yuan's part, as the controlling factor of the Korean Foreign Office. The British, German and Russian treaties contained a right of residence for their merchants in Seoul, and in a protocol annexed to the British treaty it was stipulated that in case the Chinese government saw fit to relinquish the right of its merchants to reside there Great Britain would no longer claim the right for its subjects. Under the most-favored-nation clause many Japanese and a few other foreigners had settled

[51] For a Chinese version of these matters *cf.* Tsiang, *op. cit.*, pp. 96-99. A summary of the Russian version is found in "Minutes of Special Meeting of May 8 / April 26, 1888", in *Krasnyi Arkiv*, vol. LII (1932), pp. 54-61. This illuminating document was drawn up by Adjutant General Baron Korff and Privy Councillor Zinovieff. It summarized Russian relations with Korea and laid down Russian policy as it was applied until 1894. It confirms the view expressed in this article that it was China's new policy toward Korea which endangered that country, and it pays tribute to the correctness of Japan's policy, which was only concerned with means of safeguarding Korea from seizure by China. This statement of Russian policy is very different from the views of contemporary British writers and journalists.

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in Seoul. The President of the Foreign Office now addressed Rockhill and asked him to inquire what his government would do, now that China was removing its merchants to Yong-san. Mr. Rockhill believed the Japanese government would energetically resist the exclusion of its subjects from the capital,[52] and the American government was not prepared to relinquish the right of residence.[53]

Rockhill also was able to confirm Foulk's complaints of Yuan's interference in the domestic affairs of Korea. In September 1886 Yuan presented a memorial to the King,

> in which after drawing His Majesty's attention to the present disorganized condition of the realm, the result of the policy heretofore followed, he makes suggestions on ten urgent measures of reform. The Memorial contains little or nothing of a practical nature. While condemning the erection of a Mint, the opening of a hospital, the establishment of a model farm, the purchase of a steamer, etc., he advises the King to develope the resources of the country, but suggests no means to attain that end. He furthermore urges the King to rely solely on the help of China which alone can protect Korea from the insulting treatment of foreign nations.[54]

Rockhill was succeeded by Hugh O. Dinsmore, as Minister Resident and Consul General, on April 1, 1887. He was soon to realize the influence of Yuan. In this instance it was directed toward the removal of Lieutenant Foulk from Korea.[55]

> In conclusion I venture to remark that in my opinion from all that I have seen and heard in the short time I have been in this capital, but for Chinese interference all would go smoothly and well here, and the country advance rapidly in prosperity and enterprise. But every step forward is opposed by the Chinese Minister. I call him "Minister" from a lack of knowledge as

[52] No. 34, Dec. 17, 1886, also No. 66, Mar. 5, 1887, *U. S. Foreign Relations, 1887*, pp. 253-254, 259-260.

[53] *Ibid.*, p. 263.

[54] No. 54, Jan. 28, 1887, extract, *ibid.*, p. 256.

[55] For this incident *cf.* Noble, "The United States and Sino-Korean Relations, 1885-1887", *The Pacific Historical Review*, vol. II, pp. 300-303 (September 1933).

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to what his true position is. In view of our treaty we cannot concede to him the title of "Resident" in the sense in which he claims it. . . .

I shall not in anywise attempt to interfere with matters arising between China or any other power with Korea when we are not directly concerned, but the effect upon these people of such presumption as we constantly witness on the part of the Chinese representative, is deplorable, and naturally, and I would think unavoidably humiliating to any sovereign power in treaty relations with this unfortunate country.[56]

But Yuan's position was impregnable, and Dinsmore reported pessimistically:

To my mind it appears that Korean political affairs are gradually approaching a crisis. China is slowly but surely tightening her grasp upon this government and its king. The spirit of resistance seems almost to have died out of the Koreans and there is an apparent acquiescence on the part of a number of foreign representatives. One at least, H.B.M's Consul General, is quite outspoken in his declaration that Korea is a vassal state and altogether incapable of self government.

From the tone of the public press of Japan it would seem that even that government has almost decided to allow the absorption of Korea by the Chinese without opposition from her.

[Quotations from an article in the *Nichi Nichi Shimbun* of March 7.]

The Japanese representative here, so far as I am able to observe, regards the increasing encroachments of the Chinese with apparent indifference.

The Koreans do not impress me as having any affection or strong attachment for the Chinese. On the contrary there is among the common people a well defined dislike for them, but they fear them and it is under the influence of this fear that they are gradually yielding to Chinese supremacy. . . .

The Chinese representative memorializes, provides, dictates and directs, all under a system of intimidation mixed with an affectation of disinterested kindness. . . .

The foreign office is absolutely under Chinese control insomuch that the Royal pleasure does not seem to be consulted con-

[56] No. 14, May 3, 1887.

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cerning any of the affairs of state of great importance and I am inclined to believe that at some times they act against his desire. The President in a dispatch to me declares it to be the will of the King that Lieut. Foulk should leave Korea, while I have reliable assurance that his wish is quite the reverse.

Under a sentiment of humanity I cannot but hope that in the fitness of things the time may come when we may see this country free and unrestrained that they may work out their own national establishment, but all in all, at this time the prospect for Korean independence is gloomy.[57]

During the controversy over the withdrawal of Lieutenant Foulk, Mr. Dinsmore had an interview with the President of the Korean Foreign Office which he reported as follows:

He remarked that the relations between China and Korea had been explained when our treaty was made. I said America had no desire to interfere with the relations of other countries any more than she desired they should interfere with hers, but that America had treated with Korea as an independent kingdom and that we so regarded it; but that if the King of Korea and his subjects desired to be ruled by China America could not very well object. "Oh," he replied, "we have no such desire. Korea is truly an independent kingdom and China is only our elder brother and because we are weak and a small country we ask China to advise and assist us." . . .

Then you do not consider that China has a right to control your governmental affairs nor to dictate to you? "No, only to give us the benefit of their counsel and aid." [58]

Min Yong Ik, who had been special envoy to the United States in 1883, and was friendly with Foulk and Dinsmore, returned from China with fears that a conspiracy was being hatched to destroy the King and the Queen's family, and place the Tai Won Kun on the throne.[59] This received some confirmation when, in August, the King sent a messenger to inform Dinsmore that Yuan was pressing for the appointment

[57] No. 20, May 27, 1887.

[58] No. 23, May 30, 1887.

[59] No. 30, June 21, 1887. Li Hung-chang knew of this conspiracy; *cf.* No. 71, Nov. 11, 1887.

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of the Tai Won Kun as Ussa (dictator) of the kingdom. On August 20, Yuan and his staff left for Chemulpo, and his family soon followed. The general explanation was his resentment at the appointment of Korean ministers to the United States and the European powers, but Dinsmore found an additional reason in his failure to secure the appointment of the Tai Won Kun.[60] Yuan had tried to stop the appointment of a minister to the United States, and he had asserted that the letter from the King of Korea, declaring his vassalage to China, "was appended" to the treaty of 1882.[61] He succeeded in detaining Pak Chung Yang and announced that China must first be consulted. This interference caused concern to both the Japanese and the Russian chargés.[62]

Finally, Li Hung-chang permitted the envoys to depart, but on conditions which Yuan laid before the Korean Foreign Office:

> that their representatives abroad must first present themselves to the Chinese Minister and be introduced by him at the foreign office; that in all official and social assemblies the Korean "representative" shall yield precedence to the Chinese "minister"; and that upon affairs of importance touching the business of the service, the Korean "representative" shall always advise with the Chinese Minister "secretly" before taking action.[63]

Judge Denny proposed to retire from the Korean service in April 1888 and the King was eager

[60] No. 51, Aug. 23, 1887.

[61] No. 53, Sept. 30, 1887, extract in *U. S. Foreign Relations, 1888*, vol. I, pp. 433-435 (in this volume the asterisks are omitted); No. 60, Oct. 3, 1887.

[62] No. 63, Oct. 15, 1887 (extract, *ibid.*, pp. 436-437). Dinsmore reported that a printed document was in circulation which inserted in the first article of the American treaty the statement that "the United States recognizes Korea as a dependency of China". The acting consul general of Great Britain insisted that this was the true reading, in spite of Dinsmore's assurance to the contrary. For Li Hung-chang's actions, *cf.* Tsiang, *op. cit.*, pp. 100-101; also Denny's memorandum transmitted in No. 71, Nov. 11, 1887, but not printed with the extract in *U. S. Foreign Relations, 1888*, vol. I, pp. 440-441.

[63] No. 73, Nov. 17, 1887 (extract, *ibid.*, pp. 441-442). A summary of Li's telegram to Yuan, *ibid.*, pp. 249-250).

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> to install an officer of his own choosing and have him enter upon his duties under a contract before the Chinese have knowledge of a vacancy and opportunity to insist upon the privilege of naming him, hoping by this means to avert an unpleasant collision, and possibly the more objectionable misfortune of having an enemy forced into his official household, and into a position where he can do incalculable mischief. Mr. Denny has until recently been regarded with great suspicion by the King, and has never had a cordial cooperation from any of the Korean officials and chiefly because he came at the Chinese behest. His position has been greatly embarrassed and his usefulness much impaired.

The King repeatedly asked Mr. Dinsmore to resign his post and accept the appointment, and Judge Denny and Mr. Waeber added their persuasions. Dinsmore finally requested permission to resign,[64] which was not granted. Denny, however, signed a new contract for a two years term,[65] but he was not allowed to complete the arrangement. His continued friction with Yuan Shih-kai caused China to intervene against him, and he retired in December 1888, on four conditions:

> 1. that the king should consent to his going; 2. that Yuen Shih-kai should be recalled; 3. that Denny should be free to return if summoned by the king; and 4. that his arrears of salary, $30,000, should be paid [by China].[66]

It goes without saying that Yuan was not recalled. For a year the American files have little to say about his conduct, but he was not idle. He was concerned with the punishment of Pak Chun Yang, late Korean Minister to Washington, whose independent conduct there had displeased him. For several months Pak tarried in Japan, and even after his return to Korea in the spring of 1889 he delayed for some two months before entering the capital. The fact that the King received him in audience caused Yuan to renew his demand for punishment, and His Majesty showed unwonted courage in daring to

[64] No. 91, Feb. 7, 1888.

[65] No. 109, May 16, 1888.

[66] Morse, *op. cit.*, vol. III, pp. 17-18.

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promote the accused official. Even the Korean Foreign Office and the Premier refused to answer Yuan's repeated dispatches. Seoul was full of rumors and the people were fearful lest Yuan summon military forces to enforce his demands.[67] The result was a report that a conspiracy was brewing to overthrow the dynasty.[68]

Since early in 1889, Yuan had refused to attend meetings of the diplomatic body, sending a secretary in his stead. In January 1890 Mr. Dinsmore tried to force the issue, but was sustained only by his Russian colleague. Up to this time Yuan had invariably offered the excuse of illness, now he refused to attend any meeting of foreign representatives except at the Korean Foreign Office, and when a joint note, dealing with the affairs of the Chemulpo foreign settlement, was transmitted to him for his signature, he replied that he could not correspond with the Korean government except in Chinese.[69]

Augustine Heard succeeded Dinsmore on May 8, 1890. His long experience in China gave him some background for estimating the conduct of China's representative. The King had stolen a march on Yuan by appointing, on March 10, an American citizen, General Charles W. LeGendre, a vice-president in the Korean Foreign Office.[70] The latter was very unfavorably known in China because of his services to Japan in the Formosan controversy of 1872-1874.[71] One of Heard's early dispatches described how Yuan had insisted upon the dismissal of all foreign military instructors (Americans), and the appointment of Mr. Shoenicke, a German in the Korean customs service, as Foreign Adviser to the King. Shoenicke was, of course, a member of the Chinese Maritime Customs, and Heard described him as "an ardent admirer and follower of Mr. Yuan and entirely devoted to Chinese interests." In this attempt, Yuan was supported by Mr. Hillier, the Acting Consul General of Great Britain. "In these matters England and China are

[67] No. 212, Dec. 10, 1889.

[68] No. 214, Dec. 31, 1889.

[69] No. 222, Feb. 1, 1890.

[70] No. 226, March 10, 1890.

[71] Treat, *op. cit.*, vol. III, pp. 474 *et seq.*

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acting together, and their open activity may have the natural effect of stimulating the hostility of Russia & Japan—China having the advantage of power in hand." Yuan finally withdrew his demand for the dismissal of the American military instructors, permitting them to serve out their contracts, but giving warning that no others must be imported. And Heard closed with this comment:

> I am to a certain extent a partisan of China—or rather I should say that I recognize her qualities and the ability of her statesmen, but I cannot shut my eyes to the fact that the success of her arms means the extinction of Corea as an independent power, making treaties and sending and receiving embassies.[72]

In 1889-1890, Korea tried to emancipate herself from China by recovering control of her telegraph and customs services, and by borrowing money from foreign powers. Under the advice of Sir Robert Hart, China proposed to block such foreign loans, but not to assume responsibility for former loans.[73] This move occasioned a long dispatch from Mr. Heard which discussed the pro-Chinese activities of the Korean customs, the arrogant ways of Yuan Shih-kai, the now well-recognized policy of China, the support given her by Great Britain, the watchful waiting policy of Russia, and the helpful policy which the United States should follow.

> Japan has larger trading interests in Corea than any other nation, and she has always treated the Government with courtesy and consideration. She watches China and Russia with anxious eyes, and I believe would hail with satisfaction any measure, which, by heightening the prosperity of the country, and relieving her political fears, would allow the peaceful development of her commerce.
>
> A league between these three nations, China, Russia and Japan to guarantee the neutrality and integrity of Corea would conduce enormously to her advancement, politically, financially, and morally; and there would seem to be no insuperable obstacle to it. . . .[74]

[72] No. 12, June 3, 1890.

[73] Tsiang, *op. cit.*, pp. 102-104.

[74] No. 29, July 10, 1890.

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This was followed by another long dispatch which described the pretensions and conduct of China, with which we are now very familiar, in great detail.

> Briefly, Corea can never become prosperous, so long as she is held down and expansion prohibited by China. With that oppression removed she would have a chance of reform and progress. She is naturally a rich country, and, if she fails, she would fail by her own fault. Her development should be conducted under the benevolent auspices of China, who would find her account in it by the creation of a prosperous and grateful ally, and thereby add to her own strength. I fear this is too much to hope for, but at all events she has no right to impede it.[75]

And finally, in the last dispatch of the year on political matters, Heard again examined the attitudes of the treaty powers, this time paying more attention to Germany's aspirations in the Far East, which caused her to seek the friendship of China. The United States, Japan and Russia, he said, favored the independence of Korea.

> Japan has a larger commerce with Corea than any other country, and she would be glad to increase it, not only by natural growth, but by the opening of new ports, which has been hitherto opposed by China. Mr. Kondo asked me recently to cooperate with him in trying to secure the opening of Ping An, where there is now a large Chinese smuggling trade. She is a friend of the independence of Corea, whose complete subjection to China or Russia, and the possession of whose Southern and Eastern ports by a strong, hostile power would be a standing menace to herself.[76]

Similar extracts from the dispatches could be quoted during the years 1891, 1892 and 1893, whether the writer be Minister Heard or Chargés Herold and Allen. They would simply confirm and enlarge the views already expressed of China's policy and of Yuan Shih-kai's conduct in Korea.

Up to 1892 the conduct of the Japanese representatives in Korea had, so far as the American agents reported it, been

[75] No. 75, Oct. 21, 1890.

[76] No. 89, Nov. 19, 1890.

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both correct and moderate. Then a new note was injected which found repercussions in the Japanese press and led to that aroused public opinion which was to give unanimous support to its government when it challenged the pretensions of China in 1894.

In 1889, the famous bean controversy arose, due to an illegal embargo laid on beans at Gensan, and efforts to secure an indemnity were blocked until 1893, when Li Hung-chang was quietly asked to send instructions to the Korean government through Yuan Shih-kai.[77] In the final negotiations Mr. Oishi, the Japanese Minister, adopted a vigorous tone which contrasted sharply with that of his predecessors. Also, in 1891, a question of treaty rights arose, involving Japanese fishing rights at Quelpart Island, and in 1893 a treaty with Japan, negotiated by Le Gendre, failed of confirmation by Korea.[78]

Until the Japanese archives are opened we can express no positive opinion as to the policy which Japan pursued in Korea between 1886 and 1894, but it is reasonable to infer that, as these were the years when the energies of the Japanese Foreign Office were devoted to the revision of the commercial treaties, they were content to let matters drift in Korea. But in 1889 the Japanese constitution was promulgated, and in 1890 the Imperial Diet was first convened. From that time the active interest of the elected representatives in foreign affairs was to stiffen the policy of the government both in treaty revision and in the Sino-Korean problem.

In 1893 the effects of the steadily increasing misgovernment, for which Yuan Shih-kai must assume a full measure of responsibility, produced the first rebellions in the provinces. These caused the warships of the powers to assemble at Chemulpo. In 1894 the outbreaks became more serious and took a decidedly anti-foreign turn. Then came the Chinese troops at the request of Korea, to be immediately followed by Japanese sailors and troops, under the treaty right to maintain a legation guard in Seoul. Japan now determined to settle once and for all the

[77] Treat, *op. cit.*, vol. II, pp. 413-417.

[78] *Ibid.*, vol. II, p. 392.

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Chinese pretensions of suzerainty—not the historic suzerainty but that which Yuan Shih-kai enforced. And, as she had more nationals in Korea and greater commercial interests than any other power, she was determined that reforms should be introduced which would remove the occasion for the now chronic rebellions. Her first effort was to secure Chinese coöperation in these reforms, and when China refused, she announced that she herself would supervise them. One reason for the hostility which some of the powers showed to Japan was because Li Hung-chang held back the conditions on which Japan offered to evacuate Korea, and tried to mobilize the powers against Japan alone as a trouble maker. When Europe and the United States would not intervene, Li determined to force the issue by sending reinforcements to Korea. It was this move which brought on the war.[79]

While it has often been said that Korea was doomed, by her very location between three great powers, to fall a victim to one of them, it might also be argued that mistakes in human judgment were even more responsible. The fact that Siam, between the expanding possessions of Britain and France, conserved her independence should not be overlooked. If Li Hung-chang had followed his first policy of saving Korea by means of treaties with the commercial powers; if he had not reverted to the Mongol policy of direct interference and control; if his agents had not opposed or stamped out every reform measure which the Koreans attempted—there was a chance for Korea. Irrespective of what individual chauvinistic Japanese might have thought or said, the government of Japan wanted Korea to be independent and progressive. Russia, in the eighties, was not ready to move. The internationalization of Korea, under a Sino-Japanese treaty, or one including Russia and perhaps the maritime powers, might easily have been negotiated if China had yielded her suzerain pretensions. And the eager but irresolute efforts of the King for reform, which

[79] Treat, *op. cit.*, vol. II, pp. 443-473, covers the events leading up to the outbreak of hostilities. For Russian documents of this period *cf. Krasnyi Arkiv*, vol. L–LI, pp. 3-63. The documents have been translated in *The Chinese Social and Political Science Review*, vol. XVII, pp. 480-514, 632-70 (1933).

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would have been carried out by young and patriotic Koreans, might have given Korea a national strength which would have maintained her independence. That the reform movement was stamped out, and that Korea sank into an abyss of misgovernment and incompetence, must be ascribed largely to the mistaken policy of Li Hung-chang and the domineering conduct of his representative, Yuan Shih-kai.

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SMALL STATES IN THE LEAGUE OF NATIONS[1]

I. Great Powers and Small States before the World War

ANYONE at all conversant with the political literature of the day will readily understand what is meant by Small States, when mentioned in relation with the League of Nations. But he who idly believed that words had no other significance than that given by the dictionary might well be surprised. China, with a population about ten times as great as that of France or of Italy, is a Small State. Brazil, with an area ten times as large as those of France and Italy combined, was, until discontented with her status as such, a Small State member of the League. Spain, Poland, India, Australia, Canada, are counted as "small members" of the League, as are Sweden, Holland, Luxembourg, Albania, Belgium, Hungary, Denmark, Switzerland, Liberia and Panama.

It is obvious therefore that smallness depends neither on population nor area. Nor does the status of a Small State stand in any relation to its place in history, to its neutrality or belligerency in the World War, to its geographical situation, to its form of government, to its possession of colonies, to its degree of civilization, to its per-capita wealth, nor to its aggressive or pacific policies. In fact the so-called Small States within the League of Nations have nothing in common which distinguishes them from others, except that they enjoy no permanent representation on the Council. And they are deprived of this privilege because they are not so-called Great Powers. And they are not so-called Great Powers because they are not considered such. And they are not considered as such because in the history of the nineteenth and early twentieth centuries they have not been militarily dominant or at

[1] Paper read before the Geneva Institute of International Relations on August 14, 1934.

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least prominent. Small States are, as my friend Max Huber called them already before the war, "*Nichtgrosstaaten*".[2] And they are "*Nichtgrosstaaten*" because their relative weakness is reassuring for their more powerful neighbors.

Such are the plain facts of the case. They may shock those who are innocent of the cynicism of history; but they are familiar, even if they do not necessarily seem justified, to all students of the past.

In the introductory chapter of his magnificently ambitious and most promisingly illuminating recent work entitled *A Study of History*, my friend Professor Toynbee suggested another definition of a Great Power. He writes:

> The spirit of Nationality is a sour ferment of the new wine of Democracy in the old bottles of Tribalism. The ideal of our modern Western Democracy has been to apply in practical politics the Christian intuition of the fraternity of all Mankind; but the practical politics which this new democratic ideal found in operation in the Western World were not oecumenical and humanitarian but were tribal and militant. The modern Western democratic ideal is thus an attempt to reconcile two spirits and to resolve two forces which are in almost diametrical opposition; the spirit of Nationality is the psychic product of this political *tour de force*; and the spirit of Nationality may be defined (negatively but not inaccurately) as a spirit which makes people feel and act and think about a part of any given society as though it were the whole of that society. This strange compromise between Democracy and Tribalism has been far more potent in the practical politics of our modern Western World than Democracy itself. Industrialism and Nationalism, rather than Industrialism and Democracy, are the two forces which have exercised dominion *de facto* over our Western Society in our age; and, during the century that ended about A. D. 1875, the Industrial Revolution and the contemporary emergence of Nationalism in the Western World were working together to build up "Great Powers," each of which claimed to be a universe in itself.

[2] Cf. Max Huber, "Die Gleichheit der Staaten", in *Rechtswissenschaftliche Beiträge, Josef Kohlers Festgabe*, Stuttgart, 1909, *passim*.

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> Of course this claim was false. The simple fact that there were more Great Powers than one proved that no single one of them was coextensive with the sum total of that society which embraced them all. Every Great Power, however, did succeed in exerting a continual effect upon the general life of Society, so that in some sense it could regard itself as a pivot round which the whole of Society revolved; and every Great Power also aspired to be a substitute for Society in the sense of being self-contained and self-sufficient, not only in politics and economics but even in spiritual culture. The state of mind thus engendered among the people of communities which constituted Great Powers spread to communities of lesser calibre. In that age in the history of our Western Society, all national states, from the greatest down to the least, put forward the same claim to be enduring entities, each sufficient unto itself and independent of the rest of the World.[3]

Thus a Great Power would be one "which claimed to be a universe in itself". That, I think, is an accurate, as it surely is an ingenious definition. But it defines the Great Power by its psychological effect on its citizens rather than by the external circumstances which surround its birth. A Great Power is one which having imposed its recognition as such on its neighbors by actual or potential force—that is why it is called a "Power", a "*Puissance*", a "*Macht*" — then proceeds to impose its recognition as a universe on its people by the grandeur of its prestige.

The modern world has always known a hierarchy of States, even if it has very generally, if not quite universally, proclaimed the equality of States as a fundamental principle of international law. In the introduction of his book on *The United States as a World Power*, my lamented colleague Professor Coolidge of Harvard University recalled the evolution of Great Powers in Europe, with the precision and concision of the true historian. He wrote:

> . . . by the close of the fifteenth century, certain states had assumed a position which entitles them to the modern designation of "great European powers". The Holy Roman

[3] Arnold J. Toynbee, *A Study of History* (London, 1934), vol. I, pp. 9, 10.

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Empire, still first in dignity; France, after she had recovered from the Hundred Years' War and had broken the might of her great feudal nobles; England, in the firm hand of Henry VII; the newly formed kingdom of Spain, which had finally ended Moorish rule in the peninsula,—all these held a position unlike that of their neighbors. The difference between them and such powers as Denmark, the Swiss Confederation, and Venice was one of rank as well as of strength. Politically they were on another plane: they were not merely the leaders, they were the spokesmen, the directors, of the whole community.

As time went on, changes took place in their membership. In the course of the sixteenth century, when the Empire became so dislocated that it was hardly a power at all, its place was taken by Austria, a strangely conglomerate formation, which protected the eastern frontier of Christendom against the Turks. Spain was for a while a real world power, overshadowing all the others, dominant in Europe, supreme in America, and dreaded even in remote Japan. The seventeenth century witnessed the decline of Spain, the primacy of France, and the temporary rise of Sweden and the Netherlands; but the greatness of these last rested on too small a material foundation to support it after the countries themselves had outlived their heroic period. The eighteenth century saw them subside into relative insignificance, and in their stead two newcomers step to the forefront of European affairs. The huge semi-Asiatic empire of Russia was now, by the genius of Peter the Great, transformed into the outward semblance of a European state; and the little military kingdom of Prussia, the representative of Northern Germany, won for itself a position which its resources hardly warranted, but which, thanks to the extraordinary ability of its rulers and the sense of discipline of its people, it succeeded in maintaining.

After the violent episode of the French Revolution and the Napoleonic wars, the European continent settled down to what seemed to be a stable organization with five great powers,—Russia, England, Austria, Prussia, and France, for the skill of Talleyrand at Vienna prevented France from being even temporarily excluded after her disasters.[4]

[4] A. C. Coolidge, *The United States as a World Power* (rev. ed., New York, 1918), pp. 2, 3.

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This famous Pentarchy had grown out of the concert of the anti-Napoleonic coalition whose four members had already at Châtillon, on February 5, 1814, boldly spoken "in the name of Europe".[5]

At the end of the interminable and ever-renewed wars into which revolutionary and imperial France had plunged Europe for almost a generation, the general need was for peace, order and security. On August 17, 1817, Metternich, addressing Emperor Francis, wrote:

> One of the first notions, I should say even the basis of contemporaneous policy is and should be tranquillity; now the fundamental idea of tranquillity is security of possession. If the principal Powers of Europe adopt this principle the small States which can hardly stand alone [*qui peuvent à peine se tenir debout*], must adopt it also, whether they like it or not [*de gré ou de force*].[6]

In order to maintain peace and order among themselves as well as against the Small States, which even if they could "hardly stand alone", might always become turbulent, the Pentarchy, at Aix-la-Chapelle on November 15, 1818, laid down their principles and the rules governing their future meetings. They decided that they would usually meet alone, to discuss measures for the maintenance of "general peace". But that in case they had to deal with "affairs especially connected with the interests of other European States, they would meet only when formally invited to do so by such States, with the express reservation that they would always have the right to take part in such conferences".[7]

When we compare the membership of the European Directorate thus set up with the seven Great Powers of today, we note that only two States, Great Britain and France, have completely maintained their political identity. We note further that the U.S.S.R. has taken the place of Russia, and Germany that of Prussia. Austria, the main victim, as she

[5] Charles Dupuis, *Le Principe d'égalité et le concert européen* (Paris, 1909), p. 122.

[6] *Ibid.*, p. 153.

[7] *Ibid.*, p. 163.

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was also the immediate author of the World War, has disappeared. Italy crept into the Concert of Europe guided by the genius of her master statesman and true founder, even before she acquired national unity. When, in February 1855, Cavour had succeeded in bringing first France and Great Britain and then his own parliament to allow his country to participate in the Crimean war, he exclaimed: "The glory which our soldiers will not fail to reap on the banks of the Orient will do more for the future of Italy than all the declamations of the world have done." [8] And so it proved to be. Admitted on equal terms with the Great Powers to the Congress of Paris in 1856, in spite of Austria's opposition and the reluctance of all others, except Napoleon III and Great Britain, the kingdom of Sardinia thus prematurely began its brilliant diplomatic career.[9] Since her foundation in 1861, Italy has regularly taken her place as the sixth Great Power of Europe until the World War.

Although never formally recognized as such, since the days of Metternich, the six European Great Powers came as a matter of course to consider themselves the true masters of the Continent. Thus, during the second Balkan war, the British foreign secretary, to avoid a European catastrophe, proposed what in his memoirs he called a "Conference of the Powers". It went without saying and without any discussion that the membership of such a conference was limited to the representatives of Great Britain, France, Italy, Germany, Austria and Russia.[10] The same were naturally invited to the abortive Conference of the Powers summoned by Grey in July 1914.[11]

The United States, always officially hostile to world entanglements, became a world Power by reason of her growing wealth and influence, almost in spite of herself. The Spanish-American war of 1898 is usually looked upon as the turning point in her history in this respect.[12]

[8] Paul Matter, *Cavour et l'unité italienne*, vol. II, 1848-1856 (Paris, 1925), p. 317.

[9] *Ibid.*, p. 327 *et seq.*

[10] Grey of Fallodon, *Twenty-five Years, 1892-1916* (London, 1925), vol. I, p. 264.

[11] *Ibid.*, p. 314.

[12] Coolidge, *op. cit.*, p. 121.

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As for Japan, her military victories over China in 1894, and over Russia ten years later, would have entitled her to the rank of a Great Power, even if her policy during the World War had not made of her the preponderant force in the Far East.

2. SMALL STATES AND THE COVENANT

When after the World War the victors decided to set up a league of nations, all concerned realized that the coöperation of the five principal Allied and Associated Powers was essential to its success. In order to secure their coöperation, most authors agreed that a position of special influence and responsibility should be reserved for them in the structure of the new organization.

The first British and American plans, to be sure, did not specifically provide for a small council, but they were based on the assumption of the preponderance of the Great Powers.[13]

In his "Practical Suggestion", published in December 1918, General Smuts foresaw the establishment of a council which was to do "the real work of the League". As for its membership, he proposed:

> In the first place, the Great Powers will have to be permanent members of it. Thus the British Empire, France, Italy, the United States of America, and Japan will be permanent members, to whom Germany will be added as soon as she has a stable democratic Government. To these permanent members I would suggest that four additional members be added in rotation from two panels, one panel comprising the important intermediate Powers below the rank of Great Powers, such as Spain, Hungary, Turkey, Central Russia, Poland, Greater Serbia, etc., and the other panel comprising all the minor states who are members of the league. Each panel will provide two members, who will be selected from it in rotation according to rules to be laid down in the first instance by the permanent members, who will also fix the two original panels. The council will therefore have nine or ten members according as Germany is or is not a stable democratic great Power in future.[14]

[13] D. H. Miller, *The Drafting of the Covenant* (New York, 1928), vol. I, pp. 10, 40; vol. II, pp. 3 *et seq.*, 7 *et seq.* and 12 *et seq.*

[14] *Ibid.*, vol. II, p. 41.

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Lord Robert Cecil's first plan provided for an "annual meeting of Representatives of British Empire, United States, France, Italy, Japan, and any other States recognized by them as Great Powers".[15]

The French plan called for a "Permanent Delegation" of fifteen members, to be elected by the International Council representing all the members of the Société des Nations.[16]

In the Italian plan provision was made for a council of nine members, of whom five were to represent the five victorious Great Powers and four were to be elected by the Conference of all the other members.[17]

Before the first meeting of the Commission which drafted the Covenant there were several exchanges of views on the composition of the Council between the members of the American and the British delegations. The British, that is Lord Robert Cecil and Mr. C. Hurst (as they then were), would have restricted membership to the Great Powers. President Wilson, however, favored some such plan as that proposed by General Smuts.[18]

The draft finally put before the League Commission on behalf of the American and British delegations had been written by Mr. Hurst and was worded as follows:

> The representatives of the States, members of the League directly affected by matters within the sphere of action of the League, will meet as an Executive Council from time to time as occasion may require.
>
> The United States of America, Great Britain, France, Italy, and Japan shall be deemed to be directly affected by all matters within the sphere of action of the League. Invitations will be sent to any Power whose interests are directly affected, and no decision taken at any meeting will be binding on a State which was not invited to be represented at the meeting.[19]

This plan, it may be noted, was in essence the same as that which the Great Powers had adopted for the Directorate of

[15] *Ibid.*, vol. II, p. 61.

[16] *Ibid.*, vol. I, p. 11; vol. II, p. 46.

[17] *Ibid.*, vol. II, p. 248.

[18] *Ibid.*, vol. I, pp. 36, 57, 72; vol. II, pp. 61, 67, 98, 108, 132, 142, 146.

[19] *Ibid.*, vol. II, p. 232.

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Europe at Aix-la-Chapelle a century before. It was calculated to answer the same purpose and it was destined to arouse the same opposition.

As a matter of fact, it was reluctantly abandoned by its authors when they were faced by the unanimous protests of the representatives of the Small Powers, backed by those of France and Italy.[20]

The text as finally adopted reads as follows:

1. The Council shall consist of Representatives of the Principal Allied and Associated Powers, together with Representatives of four other Members of the League. These four Members of the League shall be selected by the Assembly from time to time in its discretion. Until the appointment of the Representatives of the four Members of the League first selected by the Assembly, Representatives of Belgium, Brazil, Spain and Greece shall be members of the Council.

2. With the approval of the majority of the Assembly, the Council may name additional Members of the League whose Representatives shall always be Members of the Council; the Council with like approval may increase the number of Members of the League to be selected by the Assembly for representation on the Council.

3. The Council shall meet from time to time as occasion may require, and at least once a year, at the Seat of the League, or at such other place as may be decided upon.

4. The Council may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

5. Any Member of the League not represented on the Council shall be invited to send a Representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that Member of the League.

6. At meetings of the Council, each Member of the League represented on the Council shall have one vote, and may have not more than one Representative.[21]

[20] *Ibid.*, vol. I, pp. 134, 137 *et seq.*, 146 *et seq.*; vol. II, p. 257 *et seq.*

[21] On July 29, 1926, the following additional paragraph came into force as an amendment to the Covenant: "2 bis. The Assembly shall fix by a two-thirds majority the rules dealing with the election of the non-permanent Members of the Council, and particularly such regulations as relate to their term of office and the conditions of re-eligibility."

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We do not propose to analyze all the discussions which led to this change. It is interesting, however, and directly relevant to our main purpose, to examine some of the arguments put forward in support of the various solutions urged. The problem, as generally conceived, was to reconcile the principle of the equality of States with the necessity of setting up a body sufficiently strong to carry decisive weight with the world community, while small enough to be capable of executive action.

The principle of equality itself was openly challenged by no one and indeed expressly proclaimed by most of the authors of the Covenant.

The most critical was undoubtedly Lord Robert Cecil. Even he did not publicly repudiate the principle, however. But his ardent desire to make a success of the League and his conviction that success depended exclusively on the coöperation of the Great Powers led him to brush aside, as an undesirable obstacle to that end, the plea of the Small States for representation on the Council. On January 16, 1919, discussing privately with Mr. D. H. Miller the various drafts that were being considered, he declared "that the Great Powers must run the League and that it was just as well to recognize it flatly as not".[22]

His impatience with the Small States and with what he held to be their excessive demands was shown not only in the debates of the League Commission, but also in his private papers. Thus in his "Notes on a Permanent Court", communicated to Mr. Miller a few days later, he recalled how in his opinion the Small States had "wrecked the plan for a Permanent Court" at The Hague in 1907. He added that "their ground of opposition was a plea of equality of rights which not only is theoretically preposterous, but which is entirely incompatible with the conception of a League of Nations".[23]

President Wilson's attitude was appreciably different. He was no less anxious for the success of the League, but he was too fundamentally attached to the principle of equality entirely to disregard the claims of the Small States. Throughout the

[22] Miller, *op. cit.*, vol. I, p. 53. [23] *Ibid.*, vol. I, p. 64.

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war he had preached the gospel of right as opposed to might and demanded equal consideration for strong and weak alike. Thus for instance in his address to the Senate on January 22, 1917, he had explicitly declared: "The equality of nations upon which peace must be founded if it is to last must be an equality of rights".

If he had been tempted to forget this generous doctrine, his secretary of state would have reminded him of it. On December 21, 1918, Lansing had drafted some "Suggestions as to an International Council", in which "a Supervisory Committee" of five elected members was to perform functions analogous to those entrusted to the Council of the League. Lansing's plan was, as he states, "based on international democracy and denies international aristocracy". He had placed it before President Wilson "in order to prevent, if possible, the United States from becoming sponsor for an undemocratic principle".[24]

Lansing's doctrine was that of the traditional legalist. Thus he wrote:

> Equality in the exercise of sovereign rights in times of peace, an equality which is imposed by the very nature of sovereignty, seemed to me fundamental to a world organization. . . . Any departure from that principle would be a serious error fraught with danger to the general peace of the world and to the recognized law of nations, since it could mean nothing less than the primacy of the Great Powers and the acknowledgment that because they possessed the physical might they had a right to control the affairs of the world in times of peace as well as in times of war.[25]

This theoretical legalism was hardly calculated to impress President Wilson. While holding firmly to the formula of equality, he was quite prepared to countenance and indeed to recommend practical measures hardly compatible with a strict interpretation of it. The general principle he stated with all the more force and eloquence as he did not intend to apply it

[24] Robert Lansing, *The Peace Negotiations* (London, 1921), p. 52 *et seq.*

[25] *Ibid.*, p. 53.

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literally. Thus, on April 11, 1919, at the last meeting of the League Commission, President Wilson opposed a proposal of Japan, whose delegates would have wished to insert in the Preamble of the Covenant "the endorsement of the principle of equality of nations and just treatment of their nationals". In the course of his attack on this proposal, President Wilson declared:

> This League is obviously based on the principle of equality of nations. Nobody can read anything connected with its institution or read any of the articles in the Covenant itself, without realizing that it is an attempt—the first serious and systematic attempt made in the world to put nations on a footing of equality with each other in their international relations. It is recognized everywhere that this is an attempt, a most hopeful attempt, to secure for those nations which could not successfully protect themselves if attacked by the stronger nations of the world, the support of strong nations of the world in their defense. It is a combination of moral and physical strength of nations for the benefit of the smallest as well as the greatest. This is not only a recognition of the equality of nations, it is a vindication of the equality of nations.[26]

But this "recognition" and "vindication" of equality had not prevented President Wilson from supporting at first Cecil's original proposal for a Council made up of Great Powers only. He had done so by showing

> that the chief physical burdens of the League will fall on the great powers whether these burdens are military or economic. He said that the adoption of the League will depend upon whether it can be done without making the powers too uneasy. It is desirable to make the plan acceptable that the great powers should be in the Executive Council. Then it should be considered what other elements, if any, there should be to it. The general idea is that the Executive Council will consist of those other powers whose interests are affected. The scheme is to have the Executive Council consist of the interested parties. The great powers are always interested.[27]

[26] Miller, *op. cit.*, vol. I, p. 463. [27] *Ibid.*, vol. I, p. 146.

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The French delegates were no less insistent on equality of rights as a principle, but somewhat less prepared to sacrifice the principle to expediency in the composition of the Council of the League. In their official draft, we recall, the French drew no distinction between various classes of states, but relied on election to secure permanency of tenure for the Great Powers in the "Permanent Delegation" of fifteen members which they provided for. It is therefore not surprising that their delegates should have supported the Small States in their revolt against the original British proposal. They were perhaps the more inclined to do so as the Anglo-American hegemony exercised by Wilson and Cecil in the League Commission increased their understanding of and their sympathy with the feelings of their minor colleagues. Thus, on February 4, Léon Bourgeois combated the British exclusivism by expressing the fear "that if too much power is given to the Great Powers they will act rather for peace than for peace founded on justice",[28] an uncommonly acute political observation.

At a subsequent meeting, his colleague, Dean Larnaude, of the Paris Law School, went further both in the verbal denunciation of Great Power claims and in their actual justification. He

> wanted it clearly understood that no implications were carried by the use of the terms "great powers" and "small powers". It was only a convenient form of expression for dealing with a certain difference in fact. Indeed, he thought that the use of the general terms "great" and "small" was inadvisable, and that it was proper that the five powers (whom they were classing as great) should be specifically named. For the League is the outcome of this war. Of course the five powers are not the only ones who have made vast contributions of lives and principle. Belgium, the first bulwark against German invasion, has gained because of this a great place in history. But the matter is not one to be discussed in the abstract or on the basis of sentiment; but a thing of cold fact; and the fact is that the war was won by Great Britain, France, Japan, Italy, and the United States. It is essential that the League be formed around

[28] *Ibid.*, vol. I, pp. 148, 152.

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these effective powers so that at its birth, it shall carry with it the influence and prestige of the nations that conquered Germany.[29]

The delegates most active in the defense of the rights of the Small States in the League Commission were Messrs. Hymans of Belgium, Vesnitch of the Serb-Croat-Slovene State, Pessoa of Brazil, Wellington Koo of China and Reis of Portugal. While unanimously basing their case on the principle of equality, as well as on the necessity of securing the effective coöperation of the nations they represented, they all realized and admitted that in the composition of the Council account should be taken of the various degrees of international importance of members of the League.

Thus they opposed the original British plan of no representation of Small States, as entirely unacceptable, and the first concession of two delegates, as insufficient. The former, Mr. Pessoa declared, would make of the Council "not an organ of the 'League of Nations' but an organ of 'Five Nations', a kind of tribunal to which everybody would be subject".[30] The latter, Mr. Hymans repudiated hotly, declaring to Lord Robert Cecil: "What you propose is nothing else than the Holy Alliance".[31]

The solution finally adopted—five permanent Great Powers and four elected Small States—was clearly a compromise. It was a compromise not only between the Great Powers — of whom Lord Robert Cecil said that their support was "the chief need in making the League a success" [32]—and the Small States—of whom Mr. Wellington Koo said that while "it was probably true" that the interests of any one of them were less than those of any so-called Great Power, "it was certainly true that no one Great Power had interests greater than the aggregate interests of the so-called secondary powers".[33]

It was also a compromise between law and politics, between juristic theory and tradition and political expediency. Thus

[29] *Ibid.*, vol. I, pp. 159, 160.
[30] *Ibid.*, vol. II, p. 257.
[31] *Ibid.*, vol. I, p. 162.
[32] *Ibid.*, vol. I, p. 161.
[33] *Ibid.*, vol. I, p. 152.

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even Mr. Pessoa, of Brazil, recognized "that it was clear that the question could not be settled entirely by the rigorous principles of law. The injunctions of political reason must also be considered".[84]

The latter compromise was much more significant than the former. The political inequality between Great Powers and Small States had always existed, but the formal and general recognition of legal inequality between them was a truly revolutionary innovation. Whether it will prove to have been a constructive or a destructive innovation remains to be seen. That it has aroused jealousies and irritation, that it has temporarily or permanently deprived the League of the coöperation of Argentina, Brazil and Spain, that it occasioned a major crisis in 1926 over Germany's admission, and may create a similar crisis in the near future over the admission of the U.S.S.R., is certain.[85] That it was inevitable was claimed in 1919, but not really demonstrated.

Of course an international organization like the League must have, besides a general assembly, a smaller body for executive action. And of course the Great Powers must always be represented on the latter. But why that representation should not depend upon periodical election by the whole international community rather than be based on an express constitutional provision, is by no means clear.

The provisions of Article 4, whose origin we have just considered, are the only clauses of the Covenant which set up a permanent legal inequality in the League between Great Powers and Small States. But through their operation other effective and indeed inevitable inequalities have arisen. Thus, as the composition of the Permanent Court of International Justice is based upon concurrent but separate elections by the Council and by the Assembly, the Great Powers have always seen judges of their nationality elected to the Court. The fact

[84] *Ibid.*, vol. II, pp. 301, 470.

[85] Since this article was written, Russia has happily been admitted to the League of Nations with a permanent seat on the Council.

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that a judge of the United States has always been elected also, although the American government was represented neither on the Council nor on the Assembly, is an interesting indication of the general opinion of the international community as to the advisability of securing the coöperation of the Great Powers.

Furthermore, as practically all the committees and commissions of the League are appointed by the Council and as they are very often, if not quite universally, composed of nationals of States represented thereon, one may speak of the repercussion of the inequality established under the Covenant in respect of the membership of the Council on that of most of the consultative bodies of the League.

Finally, a similar repercussion may be noted in the case of the Secretariat. The privileged position of nationals of the Great Powers on the civil service of the League is also due to, and may even be justified by, the only other inequality sanctioned by the Covenant as at first drafted. We refer to the unequal national contributions by which the League is financed. We recall that, according to Article 6, § 5 of the original Covenant, "the expenses of the Secretariat should be borne by the members of the League in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union". According to this apportionment, the Great Powers which, with six other States, were all in the first category, were to pay twenty-five times more toward the expenses of the Secretariat than the Small States who paid least. This system was soon found to be unfair. It was unfair not because of its excessive, but on the contrary because of its insufficient, inequality. It was accordingly altered through the operation of an amendment to the Covenant which came into force in 1924. It reads: "The expenses of the League shall be borne by the Members of the League in the proportion decided by the Assembly".

Today the ratio of contributions between the States permanently represented on the Council and other States is as follows:

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United Kingdom	105	India	56
France	79	China	46
Germany	79	Spain	40
Italy	60	Canada	35
Japan	60	Poland	32
		Albania (for example)	1[86]

It will be noted that in this realistic realm of finance, we are very far from the legal theory of equality. Not only are there very great differences between burdens incumbent upon the Great Powers and the Small States, but in neither category is there anything even approaching equality. These figures show more clearly than any abstract demonstration not only the unreality of the fiction of international equality, but also the artificial character of the bipartite division of countries into Great Powers and Small States.

It was the sense of this unreality that had led General Smuts to suggest, as we have seen, the establishment of an intermediate category of countries. This suggestion, taken up by President Wilson, was abandoned at the second meeting of the League Commission, on February 4, 1919, after it had been criticized by the Portuguese delegate.[87] It was to be revived, however, in 1926. It will be recalled that, as a result of the difficulties surrounding the entry of Germany into the League as a permanent member of the Council, that body was then remodeled. The number of permanent members, which had fallen to four through the absence of the United States, was again raised to five through the admission of Germany. The number of non-permanent members, which had been raised from four to six in 1922, was then increased to nine. But these nine were divided into two categories, calculated roughly to correspond to states in the intermediate and in the minor classes. Thus, today, we have in the structure of the Council three categories: the Great Powers, the Small States and, between them, Poland and Spain, who by a two-thirds majority of the Assembly, have been declared to be immediately reëligible to the Council.

[86] League of Nations, *Official Journal*, 14th year, No. 10, 2d part (Geneva, 1933), p. 1258.

[87] Miller, *op. cit.*, vol. I, p. 147.

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This structure is obviously not destined to last. Even if Poland should wisely desist from her suspected ambition of being placed in the Great Power class on the admission of the U.S.S.R., Argentina, China, Mexico, Turkey and probably others may aspire to promotion from the ranks of the Small States, at least to the intermediate class.[38] This position, which already seems threatening and which may at any moment become critical, is the inevitable outcome of the establishment of the principle of legal inequality between states in the structure of the League.

3. Small States Within the League

Having examined the origin and the nature of this inequality, let us now consider how the Small States have reacted to it. Their reaction, as could be expected, has varied with their own importance and more particularly with their own sense of their own importance.

While all have been what one may call inferiority-conscious, some have openly revolted against the legal inequality, but, with more or less critical reserve, the others have accepted it as the price to be paid for the advantages which it was hoped the organization of the international community would bring to all and particularly to its weaker members. That price, even if unnecessarily high, would be deemed excessive only if those advantages were to prove illusory.

To the category of revolting states belong the Argentine Republic, Brazil, Spain and Poland. When representatives of these states, as they frequently do, insist on the beauties of equality and deplore the legal inequalities prevailing in the League,[39] one cannot escape the impression that it is less from

[38] The nations aspiring to the rank of Great or Intermediate Powers fortunately did not push their claims so far as to prevent the admission of the U.S.S.R. to the League in September 1934, nor did they announce their withdrawal from the League as Brazil and Spain had done in 1926.

[39] de Gimeno (Spain), II 208; Skirmunt (Poland), IV 45. Our references are to the *Records of the Assembly* published as Special Supplements of the *Official Journal* of the League. The Roman figures refer to the number of the Assembly, the Arabic to the page of the corresponding volume of the *Records*. Thus de Gimeno (Spain), II 208, means declaration by de Gimeno, delegate of Spain, made at the Second Assembly, page 208 of the corresponding *Records*.

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their faith in a general principle than from an accidental national disappointment. Thus the Argentine Republic, in 1920, proposed an amendment to the Covenant to suppress the distinction between Great Powers and Small States and to render all seats on the Council elective. When the examination of this and of her other proposed amendments was adjourned, her delegation left Geneva. It reappeared there only in 1933, to accept election to the Council.[40] Thus Brazil and Spain, protesting their love of equality, gave notice of their intention to withdraw from the League in 1926, when faced with the alternative of either consenting to the admission of Germany alone as a new permanent member of the Council, or of their not being reëlected thereto. Brazil persisted in her intention, while Spain abandoned it when offered the possibility of being reëlected as an indefinitely reëligible member. The latter possibility, offered to Poland also, certainly contributed to prevent her from imitating her two irascible would-be Great Power colleagues.[41]

The other Small States, with the possible exception of China, Turkey, Mexico and perhaps some others, have more or less definitely accepted the present arrangement. They are resigned not only to the structure of the Council as it is and to the breach of the principle of legal equality which it entails, but also to their non-inclusion within the ranks of the privileged Great Powers. This resignation, however, is dependent upon the fulfilment of certain conditions which are constantly being recalled in the course of the debates of the Assembly. The privilege enjoyed by the Great Powers on the Council must not be abused and unduly extended to the Secretariat,[42]

[40] *Cf. Assembly Records*, I 91, 277, and XIV 36, 58.

[41] League of Nations, *Official Journal*, Special Supplement No. 42, *Records of the Special Session of the Assembly*, March, 1926 (Geneva, 1926), p. 25. *Cf.* also *Official Journal*, 7th year, No. 7, pp. 881, 887, 1004; No. 10, p. 1528; 9th year, No. 4, pp. 432, 584, 585; No. 5, p. 603.

[42] Sastri (India), II 215; Beelaerts van Blokland (Holland), VIII 39; Hambro (Norway), VIII 57 *et seq.*; Caballero (Paraguay), VIII 100; Blythe (Ireland), IX 77; Vasconcellos (Portugal), X 83; Blythe (Ireland), XI 96.

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to the League Commissions,[43] and especially to the Court.[44] The Council must accept the full and free discussion of its decisions by the Assembly.[45] Above all, the Great Powers must pursue policies of peaceful international coöperation and impartiality and they must assume responsibilities of leadership corresponding to and commensurate with their privileged position.[46]

This general attitude of the Small States is due to their attachment to the League of Nations and to their willingness to sacrifice a measure of theoretical equality to the cause of international organization. This cause is dear to them for three main reasons of very different importance.

In the first place, being Small States, that is militarily weak States, they have everything to gain from the establishment of law and order in the world. Anarchy, international as well as municipal, may sometimes be temporarily profitable for the mighty. Because of their superior force the strong may, in a state of anarchy, not only successfully defend their own rights, but sometimes also with impunity invade the rights of others. For the weak, on the other hand, law is not only justice for all, but particularly also security for themselves. It is therefore neither surprising nor especially creditable that the Small States should be willing to contribute to the establishment of world order, even at the expense of their national sovereignty and of the principle of international equality. When, before the war, Professor Max Huber defended the doctrine of legal

[43] Frangulis (Greece), II 277; Arfa (Persia), VII 42; Franco (Dominican Republic), VII 42; Hambro (Norway), VII 49; Khan Foroughi (Persia), VIII 37; Stauning (Denmark), X 41.

[44] Diaz Rodriguez (Venezuela), I 167 *et seq.*; Antuna (Uruguay), X 38.

[45] Hagerup (Norway), I 92; Branting (Sweden), II 61; Nansen (Norway), IV 61; Mowinkel (Norway), IX 43; Frasheri (Albania), IX 62; Hymans (Belgium), XI 60.

[46] Rowell (Canada), I 170 *et seq.*; Arfaed-Dovleh (Persia), IV 37; Allen (New Zealand), IV 48 *et seq.*; Caballero (Paraguay), VI 37; Arfa (Persia), VI 56; Cielens (Latvia), VIII 44; Löfgren (Sweden), VIII 46; Moltesen (Denmark), VIII 52; Apponyi (Hungary), X 86 *et seq.*; Paradas (Dominican Republic), X 92; Apponyi (Hungary), XI 87 *et seq.*; Ala (Persia), XI 117; Mitter (India), XII 49; Guthrie (Canada), XII 52; Hymans (Belgium), XII 88; Salnais (Latvia), XIV 53; O'Kelly (Ireland), XIV 55.

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equality against all encroachments, it was expressly because he did not then believe in the possibility of such a world order. But, as he wrote,

> it is obvious that an association of States endowed with the authority to command and to coerce must possess a form of organization corresponding to the relative force of its members. In joining such an association, the weaker members of the community will be compensated for the loss of equality by increased security in the enjoyment of their own rights.[47]

So it is felt to be today in Geneva and so it has often been expressed in the Assembly. This view was expounded in the following terms by Mr. Sandler, the Swedish foreign minister, on September 29, 1933, while he was discussing the problem of disarmament and the equal obligations incumbent upon all states members of the League under Article 8 of the Covenant:

> While upholding the above fundamental principle, the Swedish Government desires to point out that there is no question of the absolute legal equality of former times. What we want for the future is controlled equality. We know from experience what the old kind of equality means; it was nothing but the right of everybody to do whatever he liked and we know to what disastrous consequences it led. Pre-war equality is the fratricidal fraternity of the war period and the impoverished liberty of the post-war period. To return to an equality of that kind would be to restart the vicious circle of earlier times. That circle must be broken by a convention.[48]

Secondly, the Small States realized that through the organization of the League they have gained in effective influence on world affairs much more than they have lost in theoretical equality. This sentiment was clearly expressed at the Thirteenth Assembly, on September 28, 1932, by Mr. Motta of Switzerland, when he said:

> No government in the world it seems to me could contemplate with equanimity the collapse of this institution [the League of Nations], this our great hope. For the small powers it would

[47] Huber, *op. cit.*, p. 116. [48] XIV 43.

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> mean renouncing all possibility of bringing their influence—their beneficial influence—to bear on international matters. For the Great Powers it would mean the inevitable return to the old system of big alliances.[49]

Twelve years before, Mr. Hymans of Belgium, in closing the First Assembly, on December 18, 1920, had already declared:

> One of the features of this Assembly has been the recognition of the equality of States. It is a feature to which we must draw attention more particularly because we are emerging from a period still very recent when a strange and artificial distinction was drawn between the States which were called States with limited interests and those which were called States with general interests. The interests of humanity and the interests of the world are universal interests. The Small States, whatever the size of their territory and whatever their population, have the same interests as large States in the safety of humanity. *Nihil humani a me alienum puto.*[50]

This curious and apparently paradoxical statement can be understood only when it is remembered that its author had bitterly suffered from the humiliation of national insignificance at the Paris Peace Conference. There Belgium, in spite of her glorious war record and in spite of her status of theoretical equality with the Great Powers, had continuously been bullied and slighted by the Big Five, whereas at Geneva, in spite of her theoretical inequality, she had played a truly leading part in the debates over which her eminent foreign minister had brilliantly presided.

This suggests the third compensating circumstance which has led the Small States in the League to accept their position of theoretical inferiority but of effectively enhanced prestige and influence. While deprived of permanent seats on the Council, they have played an exceptionally important part in supplying international conferences and commissions with presidents and chairmen. Thus the 14 ordinary Assemblies have had 13 presidents all drawn from Small States, that is in turn from

[49] XIII 39. [50] I 761.

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Belgium, Holland, Chile, Cuba, Switzerland, Canada, Yugoslavia, Uruguay, Denmark, Salvador, Rumania (twice), Greece and South Africa.[51]

Similarly of 18 International Labour Conferences, 9 have been presided over by citizens of Small States. Furthermore of 50 other international conferences held under the auspices of the League in the course of the last fifteen years, which we have been able to consider from this point of view, 33 have had chairmen from Small States. This statement is based upon the following list of conferences which, although not necessarily complete, the term international conferences being susceptible of various interpretations, may prove of some general interest:

Date	*Place*	*Conference*	*Chairman*	*Nationality*
1920				
April 13	London	Typhus	Astor	British
Sept. 24	Brussels	Financial	Ador	Swiss
Oct. 25	Paris	Passports	Loudon	Dutch
1921				
March 10	Barcelona	Communications	Hanotaux	French
June 30	Geneva	Traffic in Women	Lévie	French
Aug. 22	Geneva	Russian Refugees	Yovanovitch	Yugoslav
Nov. 23	Geneva	Upper Silesia	Calonder	Swiss
1922				
Feb. 4	Geneva	Upper Silesia	Calonder	Swiss
March 20	Warsaw	Typhus	Chodzo	Polish
Nov. 15	Geneva	Communications	Conti	Italian
1923				
Aug. 31	Geneva	Obscene Publications	Deschamps	French
Oct. 15	Geneva	Customs Formalities	Buxton	British
1924				
May 15	Rome	Migration	de Michelis	Italian
Nov. 3	Geneva	Opium	van Wettum	Dutch
Nov. 17	Geneva	Opium	Zahle	Danish
1925				
May 4	Geneva	Arms Traffic	Carton de Wiart	Belgian
Nov. 20	Paris	Inland Navigation	Mathieu	French

[51] The Fifteenth Assembly (1934) had as its president Mr. Sandler of Sweden.—ED.

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1926					
May	12	Geneva	Passports	Pusta	Esthonian
May	26	Geneva	Economic	Theunis	Belgian
Sept.	23	Geneva	Permanent Court	van Eysinga	Dutch
1927					
May	4	Geneva	Economic	Theunis	Belgian
July	27	Geneva	Assistance	Kuelz	German
Aug.	23	Geneva	Communications	de Aguero y Bethancourt	Cuban
Aug.	23	Geneva	Press	Burnham	British
Oct.	17	Geneva	Trade Restrictions	Colijn	Dutch
1928					
March	14	Geneva	Hides and Bones	Serruys	French
June	29	Geneva	Hides and Bones	Serruys	French
July	3	Geneva	Trade Restrictions	Colijn	Dutch
Nov.	26	Geneva	Economic Statistics	Rappard	Swiss
1929					
April	9	Geneva	Counterfeit Money	Pospisil	Czech
Aug.	29	Geneva	Hides and Bones	Serruys	French
Sept.	4	Geneva	Permanent Court	van Eysinga	Dutch
Nov.	5	Paris	Foreigners	Devèze	Belgian
Dec.	5	Paris	Trade Restrictions	Colijn	Dutch
1930					
Feb.	17	Geneva	Economic Action	Moltke	Danish
March	13	The Hague	Codification	Heemskerk	Dutch
May	13	Geneva	Bills of Exchange	Limburg	Dutch
Oct.	6	Lisbon	Buoyage	Vasconcellos	Portuguese
Nov.	17	Geneva	Economic Action	Colijn	Dutch
Nov.	17	Geneva	River navigation	de Ruelle	Belgian
1931					
Feb.	23	Geneva	Bills of Exchange	Limburg	Dutch
March	4	Geneva	Counterfeit Money	Delaquis	Swiss
March	16	Geneva	Economic Action	Colijn	Dutch
March	30	Geneva	Road traffic	Eckhardt	German
May	27	Geneva	Opium	de Brouckère	Belgian
June	29	Geneva	Rural hygiene	Pittaluga	Spanish
Oct.	12	Geneva	Communications	Vasconcellos	Portuguese
1932					
Feb.	2	Geneva	Disarmament	Henderson	British
Sept.	5	Stresa	Economic	Bonnet	French
1933					
June	12	London	Economic	MacDonald	British

Finally, as arbitrators, mediators and conciliators in countless tribunals, committees and subcommittees of the Council

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and of the Assembly, representatives of Small States have, thanks to the League, been called upon to play a part in world affairs, which was quite unexampled before and would be quite inconceivable without a permanent international organization. The influence they have thus exercised, equally flattering to their personal pride and to the national honor of their respective countries, has undoubtedly been an important although imponderable factor in reconciling the Small States to the loss of their theoretical equality.

All these circumstances have, however, tended to stress rather than to erase the distinction between Great Powers and Small States in the League. A close examination of the debates of the successive Assemblies reveals an interesting change in the attitude of the latter toward the former. While, at the beginning of the League's existence, the delegates from the Small States were inclined to assert the principle of equality and deny the validity of any legal distinction, they have tended of late to recognize and indeed to emphasize this distinction. They have done so mainly, it would seem, to throw the responsibility for the League's failures on the Great Powers and to call upon them for more constructive leadership.

We have already noted how Mr. Hymans, on closing the First Assembly, had declared the recognition of the equality of States to have been one of its main features. Eleven years later the same Belgian statesman, speaking of the impending Disarmament Conference, declared, on September 12, 1931: "The part the Small States have to play in the field of disarmament is naturally limited. Their policy will naturally depend on that of the great States." [52]

At the same Assembly, four days earlier, Sir Brojendra Mitter, delegate of India, had already voiced a similar sentiment, saying: "We rely on the Great Powers to install trust in the place of suspicion and to establish their moral preëminence as they have already established their material preëminence". [53]

[52] XII 88. [53] XII 49.

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At the Assembly of 1933, after the weakness of the League's action displayed in the Sino-Japanese conflict, the failure of the World Economic Conference and the sterile debates of the Disarmament Conference had created an atmosphere of acute discouragement, the general tendency of the Small States was to blame the Great Powers for their lack of leadership and for the ensuing disappointments. Thus, on opening the Fourteenth Assembly as president of the Council, on September 25, 1933, Mr. Mowinkel, of Norway, speaking more particularly of the failure of the Economic Conference, declared:

> The reason is that it has not been possible to establish in advance a basis of coöperation between those States which through their importance and their power exercise a decisive influence in the world. When even those States—or perhaps particularly those States—come to big conferences with views that are difficult to reconcile, it may be said in advance that it will not be possible—even if all the others are agreed—to arrive at fruitful results.[54]

Similar feelings were reëchoed throughout the debates of the last Assembly. Thus, on September 30, Mr. Salnais, foreign minister of Latvia, declared that it was "indispensable to establish a basis of coöperation between the States which, through their importance and force, exercised a decisive influence in the world".[55]

Immediately after Mr. Salnais, Mr. Sean T. O'Kelly, vice-president of the Executive Council of the Irish Free State, attributing the failure of the League not to any defect in its machinery but to the fact that it had not been used to the full, stated: "The responsibility for that failure must lie with the Great Powers who, owing to their importance and their resources, exercise a decisive influence in the world".[56]

Finally let us quote the closing words of the presidential address of Mr. te Water, of South Africa, delivered on October 11, 1933, at the end of the last Assembly: ". . . let the leaders of the Great Powers change their policies, from the

[54] XIV 29.
[55] XIV 53.
[56] XIV 55.

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policy of fear and of resentment, to one of generosity. . . . Will not the great nations go forward in this new spirit, so that the peoples of the earth may have peace?" [57]

Thus, under the stress of disappointment, we see emerging on the lips of representatives of the Small States, not only a recognition of the distinction between them and the Great Powers, but almost a new definition of the latter.

4. SMALL STATE POLICIES?

We have sought briefly to outline the attitude of the Small States in the League *vis-à-vis* the structure of the League itself and to define their own position within that structure. Is it possible to go further? Is it possible to discern any particular policies common to all the Small States which might be said to distinguish them as a group from the Great Powers? Except as regards a general conception of the League itself, which we will touch upon in conclusion, we do not believe it.

We have already noted at the beginning of this study the complete lack of homogeneity of the Small States. How could Poland and Uruguay, Hungary and Czechoslovakia, Switzerland and Australia, Sweden and Ethiopia be expected to see eye to eye on any matter of political or economic import? It will be sufficient to mention some of the major problems which have arisen since the war to illustrate this point.

On reparations, in particular, and on a punitive as opposed to an impartial settlement of peace in general, the policies of the Small States of Poland or Czechoslovakia much more closely approximated those of the Great Power France than those of Sweden or South Africa.

The idea of a closer European union was launched by a Great Power, France, enthusiastically endorsed by several Small States of Europe such as Greece, Czechoslovakia and Austria, as well as by Cuba in America, was viewed with critical reserve by Great Britain as well as by Switzerland and most non-European Small States.

The Briand-Kellogg Pact, to be sure, was accepted by practically all the Small States of the world. But so it was also

[57] XIV 96.

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by all the Great Powers. It is therefore not even necessary to examine the very appreciable national differences which mark the spirit of the unanimous acceptance of that uncertain formulation of a nebulous doctrine to realize that here was no specifically Small State policy.

The Four-Power Pact, put forward by a Great Power, Italy, was favorably received by Great Britain and Germany, accepted with many reservations by France, violently resented by Poland, considered with ill-disguised hostility by Czechoslovakia, but not without favor and hope by most of the former neutral Small States of Europe.

The general policy of political blocs, of which the members of the Little Entente, all Small States, are the chief protagonists, is almost as unpopular in several other Small States of Europe and quite as unpopular in Hungary, as it is in Italy, a Great Power.

Even in the matter of disarmament, which would seem to be of special importance to all Small States, there is no common policy by which one could distinguish them as a group from the equally heterogeneous group of the Great Powers. To be sure, Norway and Hungary, for instance, are more insistent, although for different reasons, on the urgency of an immediate substantial reduction of armaments than France, but so are Great Britain and Germany, but not so Poland and Yugoslavia.

The same lack of uniformity of outlook may be observed in the field of economic policies. The present gold bloc comprises two or three Great Powers and three or four Small States. Protectionism, ever more exclusive and aggressive, has come to be practised by all, great and small alike, even though theoretically repudiated by almost all, great and small alike. When we think of Holland, Belgium and the Scandinavian States, we may be tempted to look upon freer trade as an ideal peculiar to Small States in the contemporary world. But what of the extreme economic nationalism of such other Small States as Ireland, Hungary or Australia?

Nothing more decisively proves the fragility of the concepts of Small States and Great Powers than the lack of any doc-

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trine or creed uniting either of the two groups and opposing it to the other. In only one sphere of world politics can one find anything approaching unity among all those States "whose importance and resources do not allow them to exercise a decisive influence on human affairs", as the new formula runs. The sphere in question is that of the activities and functions of the League of Nations.

We believe it to be generally true that all Small States agree in looking upon the League mainly as an instrument for the promotion of peace through justice. It is not unnatural, although it may give rise to cynical comment: the nations whose only material bond is a common lack of might are spiritually linked together by a common love of right.

This legal and ethical conception of the League, which Léon Bourgeois had already foreseen in Paris in 1919 when he expressed the fear lest the Council, exclusively composed of Great Powers, would tend to seek peace rather than peace founded on justice, has led the Small States to insist on certain specific political postulates.

Realizing that justice, in international affairs as elsewhere, was conditioned and promoted by impartiality and that the less the League resembled a partial alliance and the more it approached a world association, the better the chances for impartiality, the Small States have been the most consistent champions of the principle of universality.[57 bis]

Mr. Motta was surely expressing the feeling of the overwhelming majority of the Small States when, as President of the Swiss Confederation, on opening the first meeting of the First Assembly, on November 15, 1920, he declared: "The

[57 bis] The fact of the three negative votes cast in the recent election of Soviet Russia may seem to contradict this view. Close observers, however, will not fail to have noticed the peculiar character of these votes. They were dictated by considerations of internal and not foreign policy to governments which had not yet resumed diplomatic relations with Moscow. The best proof of this is to be found in the attitude of Portugal, the only one of the three to be represented on the Council. Portugal abstained from voting on the Council, where her veto would have been decisive, while voting negatively in the Assembly, where she could thus satisfy her public opinion without effectively opposing the principle of universality.

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more universal the League of Nations becomes the more its authority and impartiality will be guaranteed".[58]

Realizing that the Permanent Court of International Justice was more apt faithfully to serve the ideals of right than the political Council, they have consistently advocated the strengthening of the judicial arm of the League and the extension of its jurisdiction. Having failed, in 1920, to render its jurisdiction compulsory, they hailed the introduction of the optional clause, which had already been proposed at The Hague in 1907 by Professor Max Huber of Switzerland, and for the first years of the existence of the Court they persistently urged the Great Powers to follow their example in adhering to this clause.[59]

Realizing that justice was more apt to triumph in the public debates of the Assembly than in the secret negotiations around the Council table, the Small States have been the most ardent advocates of open diplomacy and of a strict interpretation of the Covenant in the League, as well as the constant defenders of the rights and influence of the Assembly. The firm and bold attitude of several of their representatives in such circumstances as the Corfu conflict in 1923, the crisis over the admission of Germany in 1926, and especially the recent Sino-Japanese conflict,[60] shows that the stand of the Small States in these matters is not the expression merely of an academic preference for honesty, but of the deep-rooted belief that it is effectively the best and indeed the only safe world policy.[61]

[58] I 28. *Cf.* also Pueyrredon (Argentine Republic), I 91; Zahle (Denmark), IV 63; de Torriente (Cuba), IV 157; Ramaswami Ayyar (India), VIII 35; Morales (Panama), VIII 102.

[59] Diaz Rodriguez (Venezuela), I 167; Motta (Switzerland), IV 58; Nansen (Norway), V 37, 38; Ador (Switzerland), V 84; Apponyi (Hungary), V 94; Fernandez (Brazil), VI 84; Lange (Norway), VIII 76; Antuna (Uruguay), X 38; Venizelos (Greece), X 65; Motta (Switzerland), X 82; Apponyi (Hungary), X 86 *et seq.*

[60] *Cf.* Sean Lester, "The Far East Dispute from the Point of View of Small States", *Problems of Peace*, 8th Series (London, 1933), p. 120 *et seq.*

[61] Hagerup (Norway), I 92; Motta (Switzerland), I 160; Branting (Sweden), II 61; Radeff (Bulgaria), III 43; Nansen (Norway), IV 61; Arfa (Persia), VII 42; Foster (Canada), VII 45.

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Finally, realizing the importance of an independent and impartial civil service, the Small States have often emphasized the necessity of recruiting the members of the Secretariat from the greatest number of countries and of freeing them from the bonds of national allegiance.[62]

In stressing the legal characteristics and duties of the League rather than its political functions and in tending to give justice precedence over expediency, the Small States are insisting on what is most novel in the Geneva institution. Secret negotiations and diplomatic bargainings there have always been, ever since representatives of various States have assembled to adjust their respective interests or to jeopardize those of their neighbors. What is new and truly revolutionary in the conception of the League as defined in the Covenant, is the attempt to bring the conduct of nations in their mutual relations into conformity with certain specific standards of morality. By their advocacy of this conception, the Small States may therefore rightly look upon themselves as the most faithful champions of the League itself. This, we repeat, is less due to their superior virtue than to their inferior power. If Small States are on the whole internationally less sinful than Great Powers it is not because they are more saintly but because they are less apt to be successful sinners. By serving the League they are not only defending justice; they are also most effectively promoting their national interests. Compared to the Great Powers, they are gaining more, while risking less, by subordinating their own ambitions to the cause of law and order in the world. One of their spokesmen, Mr. Moltesen of Denmark, could therefore without indulging in cant declare, at the close of a remarkable speech delivered at the Eighth Assembly, on September 7, 1927: "The League has now found allies . . . in all the smaller States, which, let us hope, may serve—to quote the simile of an English statesman—as the consecrated vessels in which the Divinity dispenses the sacred wine".[63]

[62] Sastri (India), II 215; Blythe (Ireland), XII 78.

[63] VIII 53.

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These are fine words. Fine words, however, will not suffice to insure the success of the League of Nations nor to maintain the peace of the world, which is its chief task.

The love of peace is not so universal today that war could be prevented by the effective coöperation of less than all the pacific nations. In this coöperation the heaviest duty undoubtedly falls upon the Great Powers. But the Small States also have their part to play.

Their spokesmen, being less responsible, usually enjoy more freedom of speech than their major colleagues on contentious and delicate matters which oppose national and international interests. Being freer to speak their own minds, they can more simply and more faithfully express the general sentiment of the world community as it exists in large and small States alike. Thereby they are in a position to secure for the League a measure of popular confidence and support that is often denied the more diplomatic oratory and the mystifying reticence of the leaders of the Great Powers. This is an opportunity which representatives of Small States should not underestimate and never miss. The example of Branting and Nansen suffices to illustrate its reality and its possibilities.

As we have seen, the general tendency of the Small States is at present to insist on the impotence of their good-will and to call upon the Great Powers for bold and constructive leadership. If the Small States continue, through their spokesmen, thus to say "we would if we could", and the Great Powers, through their attitude, tacitly to reply "we might but we won't", it is obvious that the League will not succeed in maintaining the peace of the world. That goal can be attained only if Great Powers and Small States agree in adopting and in applying to their foreign policy the stern maxim attributed to William the Silent: "*Point n'est besoin d'espérer pour entreprendre ni de réussir pour persévérer*".

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THE BRITISH BACKGROUND OF BURKE'S POLITICAL PHILOSOPHY

ONE of the main characteristics of English thought in the eighteenth century was its reaction against the abstract Lockian theory of government. Before Burke started to demolish it with the help of historical arguments, others, moving very often from different angles, had already begun the assault upon Locke's political and juridical theories, which had provided both the philosophical platforms of the party which carried out the revolution of 1688, and the theoretical foundation of the individualistic tendencies of the times. To them Burke owes a good deal; more, I think, than is commonly realized. A man interested in political affairs in the first instance, he never thought of building a philosophical system for himself, and the more easily did he, therefore, fall back on those theories which seemed to him to provide a sound basis of action. Burke's chief claim to fame lies in the fact that he was the first to attempt to give political significance to principles which had never been taken out of the realm of abstract theory, rather than in the creation of a new system of thought. It is precisely this circumstance that lends added importance to a study of the sources of his political philosophy.

We might well begin our inquiry with Joseph Butler, one of the first who attempted to establish both morals and politics on a basis sounder than the one which had hitherto prevailed.[1] Though not entirely rejecting the *a priori* method, Butler does not believe that it can be applied to the study of society and of the various circumstances of life.

[1] The *Sermons*, which for our present purposes may be regarded as Bishop Butler's most important work, were published for the first time in 1726. Additional sermons, preached on various occasions, between 1741 and 1748, are brought together in *Works of Joseph Butler*, edited by William Gladstone (Oxford, 1896), 2 vols. We shall refer to this edition.

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> One [the *a priori* method] begins from inquiring into the abstract relations of things: the other [the *a posteriori* method] from a matter of fact, namely, what the particular nature of man is, its several parts, their economy or constitution; from whence it proceeds to determine what course of life it is, which is correspondent to this whole nature. . . . The first seems the most direct formal proof, and in some respects the least liable to cavil and dispute; the latter is in a peculiar manner adapted to satisfy a fair mind: and is more easily applicable to the several particular relations and circumstances in life.[2]

Considered in its practical aspects, human nature is conceived by Butler not only as a system of tendencies within which a certain equilibrium is to be maintained, but also as a system within which dominate a few "active principles", others being kept in a subordinate condition. Conscience is the most important of them: its power and authority are supreme,[3] since conscience represents the will of God. Clearly, such an all-powerful guiding force could not derive its strength from any other source. As Stephen puts it:

> A blind instinct, ordering us to do this and that, for arbitrary or inscrutable reasons, is entitled to no special respect so long as we confine ourselves to nature. But when behind nature we are conscious of nature's God, we reverence our instincts as implanted by a divine hand, and inquire no further into their origin and purpose.[4]

This was exactly Butler's view.

Butler's profound historical consciousness has, however, for our present purposes, an interest even greater than his moral teachings.[5] Thus, in the third additional sermon, preached before the House of Lords on January 30, 1740-41,[6] we find a

[2] *Works*, vol. II, pp. 5-6.

[3] *Cf. ibid.*, vol. II, Preface, pp. 13-14; 2d Sermon, p. 63; 3d Sermon, p. 67.

[4] *History of English Thought in the XVIIIth Century* (1881), vol. II, p. 51.

[5] Strangely enough, this aspect of Bishop Butler's thought has always been overlooked by its commentators. Thus, of his sermons, the most frequently quoted are the first fifteen, and almost no mention is made of the last six "preached upon public occasions", which are added by Gladstone at the end of the second volume of his edition of Butler's *Works*.

[6] *Works*, vol. II, pp. 317 *et seq.*

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very outspoken declaration against any attempt to reform society by means of schemes rationally perfect but practically unworkable: " . . . it is the strongest objection against attempting to put in practice the most perfect theory, that it is impracticable, or too dangerous to be attempted." [7] Man has to reckon with other forces, no less vigorous because sometimes not easily detected, continues Butler:

> And whoever will thoroughly consider, in what degree mankind are really influenced by reason, and in what degree by custom, may, I think, be convinced, that the state of human affairs does not even admit of an equivalent for the mischief of setting things afloat; and the danger of parting with those securities of liberty, which arise from regulations of long prescription and ancient usage.[8]

The inheritance we have received from our forefathers is to be looked upon with reverence, and no rash reform of mankind is to be put into effect:

> Reasonable men therefore will look upon the general plan of our constitution, transmitted down to us by our ancestors, as sacred; and content themselves with calmly doing what their station requires, towards rectifying the particular things which they think amiss, and supplying the particular things which they think deficient in it, so far as is practicable without endangering the whole.[9]

Any theory based on the assumption of the social contract or of the state of nature is therefore wrong. According to Butler civil government is a *natural* product, which means, in the terminology of the eighteenth century, a *historical* product: " . . . civil government has been, in all ages, a standing publication of the law of nature, and an enforcement of it; though never in its perfection." [10]

This historical perspective gave Butler what he thought to be the only complete representation of mankind. The fact that he asserted the existence of virtue and the supremacy of con-

[7] *Ibid.*, p. 329.
[8] *Ibid.*, p. 329.
[9] *Ibid.*, p. 330.
[10] *Ibid.*, 5th Sermon, p. 362.

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science did not induce him to shut his eyes to corruption and vice. Refusing to join the uncritical lovers of nature, Butler wanted to make everybody aware of the existence of primitive passions and dangerous tendencies in men. He opposed them both in the political and in the moral field: in the former by appealing to history and tradition, in the latter by invoking divine help and conscience. There can be no doubt that in both fields his influence on Burke must have been very great. Butler's religious arguments contained the best reply that could be made to the mental attitude Burke hated most, that of skepticism. In 1770 the *Analogy of Religion* was to Burke the best medium through which to restore a wavering individual faith in revealed religion. Speaking of Barry, the artist, here is what the editor of his works relates:

> There was a short interval, however, when, according to a declaration he [Barry] once made, he had been a little wavering in his belief of revealed religion: it was the unfortunate fashion of the day, and was picked up during his residence on the Continent; but a short conversation with Mr. Edmund Burke put an end to this levity. A book, which that gentleman gave into his hands, and strongly recommended him to read before he advanced any farther in infidelity, completely hinged his mind again on the right pivot. This book was Dr. Butler's Analogy of Religion.[11]

As late as 1785 Burke spoke of the same book "as containing the most satisfactory answer to the objections of philosophical sceptics."[12] On the other hand, no such explicit reference can be found to Butler's sermons; but that Burke had them in mind, especially the last six, when he reared his fabric based on history and experience and prescription, may be safely

[11] James Barry, *Works*, etc., *With some account of the life and writings of the author* (London, 1809), vol. I, p. 6.

[12] Thomas Somerville, *My Own Life and Times, 1741-1814* (Edinburgh, 1861), p. 222. The Rev. Murray in his *E. Burke: A Biography* (London, 1931), is inclined to believe that Burke's *Vindication of Natural Society* "was probably suggested by Bishop Butler's profound remark that the difficulties which occur in the scheme of revelation are also to be found in the constitution of the visible world" (p. 65).

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affirmed, so striking is the similarity of their argumentation in many respects.[13]

The position of Francis Hutcheson, belonging to the Scottish school of Common Sense, may be described as one very near to that of Butler. According to Hutcheson, however, the state did not rest mainly on those divine foundations which were repeatedly emphasized by the Bishop of Durham, but rather found its justification in the measure of happiness which it bestowed upon man. Stephen, therefore, rightly terms Hutcheson's work as a bridge between the intuitionists and the utilitarians.[14] The Scottish philosopher was indeed the first to express in modern garb the principle of "the greatest happiness of the greatest number", when in 1725, in his "*Inquiry concerning the Origin of Our Ideas on Moral Good and Evil*", he wrote that ". . . that action is best, which accomplishes the greatest happiness for the greatest numbers; and that, worst, which, in like manner, occasions misery".[15] His whole moral system was imbued with the utilitarian ideals: "We see then that the moral faculty most approves and recommends such dispositions as tend most to the general good, and at the same time such as may give the noblest enjoyments to the agent upon reflection".[16] He thus identifies, according to the strictest utilitarian theory, the collective and the individual good, an equation which Burke fully accepted, when he defined expediency as "that which is good for the community, and good for every individual in it".[17]

[13] On prudence, see Burke's *Appeal from the New to the Old Whigs, Works*, vol. III, p. 16, and *Letters on a Regicide Peace*, vol. V, p. 158; on prescription, *Reflections on the Revolution in France*, vol. II, p. 422, and *Letter on the Affairs of Ireland*, vol. VI, p. 80; on political reforms, *Speech on the Economical Reform*, vol. II, pp. 65, 95, 120 (References are to the Bohn edition).

[14] *Op. cit.*, vol. II, p. 56.

[15] *Inquiry*, 1st ed. (1726), p. 177. This concept was afterwards used by Beccaria, then by Priestley and finally by Bentham, who sometimes acknowledges his indebtedness to Priestley, sometimes to Beccaria, but never refers to Hutcheson.—For the classical origins of the concepts, see W. R. Scott, *Francis Hutcheson*, p. 272 *et seq.*

[16] *System of Moral Philosophy*, 1st ed. (1755), p. 139.

[17] "Speech on a motion made in the House of Commons, the 7th May 1782, for a Committee to inquire into the state of the representation of the Commons

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It is only with Hume, however, that the opposition to Locke's contractual rationalism makes a decisive step forward. To the naïve and dogmatic Lockian ideology, Hume opposes historical reality and that "general opinion" which, if deprived of any value in physics or in metaphysics, is, however, a good weapon and constitutes a safe criterion of truth in the moral field.[18] Hume was the starting point of a great part of British philosophy in the eighteenth century and to him political science owes a great deal, for his use of the utilitarian principle, conceived as a criterion of valuation, not only in the ethical but in the political field as well, and for his frequent appeal to experience in the study of social institutions. To those who inquire about the foundations of political obedience, Hume answers that it is the very existence of society which renders

in Parliament", *Works* (ed. Bohn), vol. VI, p. 144. It may be asked whether Burke's debt was not equally divided between Hutcheson and Priestley. We can say, however, that he profoundly distrusted Priestley and all his rationalism stood for, whereas Hutcheson's influence on Burke may be distinctly traced to his years at Trinity College in Dublin, when the *Inquiry* proved to be a fruitful starting point for the *Origin of Our Ideas of the Sublime and Beautiful,* which, although published only in 1756, had already been written in 1748. See for an appraisal of the differences between Burke's and Hutcheson's æsthetic conceptions, Samuels, *Early Life, Correspondence and Writings of Burke,* p. 212; Scott, *F. Hutcheson,* pp. 283-84. *Cf.,* too, Cassirer, *Die Philosophie der Aufklärung,* p. 439 *et seq.*—With regard to Hutcheson, it might be interesting to go into his hostility to the aprioristic method of Clarke's philosophy and his persuasion of the great complexity of man whose actions are directed by "an omnipotent universal parent, disposing of all in this system for the very best; determined to secure happiness in the whole to the virtuous, whatever evils may befall them in this life; and permitting no further evil than what the most perfect constitution requires, or necessarily brings along with it" (*System,* p. 215). In Hutcheson a certain amount of optimism is evident, in sharp contrast with Butler's pessimism and, up to a certain point, with Burke's historical approach. For this reason Scott classifies Hutcheson as a "philosopher of the enlightenment" (*op. cit.,* pp. 257 *et seq.,* 285-86).

[18] "Of the Original Contract", in *Essays Literary, Moral and Political,* ed. Green-Grose (London, 1875), vol. I, p. 460. Although Hume's *Essays* were first published in 1741, the essay "Of the Original Contract" appeared only in the third edition of 1748. For a history of the several editions, see pp. 15-86 of the first volume of Green's edition. An excellent appraisal of Hume's position in the English philosophy of the eighteenth century is given by G. Solari, *L'idea individuale e l'idea sociale nel diritto privato* (Turin, 1911), vol. I, p. 293 *et seq.*

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that obedience necessary,[19] thus at once raising the utilitarian principle to the rank of a fundamental canon of justification of our social duties. As to the origins of civil government, Hume would appear in the beginning to favor some kind of tacit and unwritten covenant:

> The people, if we trace government to its first origins in the woods and deserts, are the source of all power and jurisdiction, and voluntarily, for the sake of peace and order, abandoned their native liberty, and received laws from their equal and companion. . . . If this, then, be meant by the *original contract*, it cannot be denied, that all government is, at first, founded on a contract, and that the most ancient rude combinations of mankind were formed chiefly by that principle.[20]

Beyond that point, Hume was not willing to proceed, and he refused to commit himself to the logical deductions of the contractualist theory that the contract was still valid, and that the government of even the most progressive and civilized countries could not possibly rest on any other basis. To him any theory of the social contract designed not only to explain the historical origins of the state, but to become the cornerstone of political obligation, was totally inadmissible.

Contract having been ruled out, what is then the binding tie between the ruler and the ruled? "Obedience or subjection becomes so familiar, that most men never make any enquiry about its origin or cause, more than about the principle of gravity, resistance, or the most universal laws of nature".[21] Nor was that enough. Presently Hume appeals to a principle familiar to any student of Burke: the people "imagine not that their consent gives their prince a title; but they willingly consent, because they think, that, from long possession, he has acquired a title, independent of their choice or inclination".[22] Even without taking into account these elements of tradition and prescription, which have already voided the so-called con-

[19] "If the reason be asked of that obedience, which we are bound to pay to government, I readily answer, because society could not otherwise subsist" ("Of the Original Contract", *Essays*, vol. I, p. 456).

[20] *Ibid.*, p. 445.

[21] *Ibid.*, p. 446.

[22] *Ibid.*, p. 451.

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tract of any content whatsoever, other historical arguments aid Hume in his fight. Every single government which exists today, which has existed in the past, or of which one preserves historical recollection, was originally founded on usurpation or conquest, or on both, without any pretence of voluntary submission on the part of the people. Reason, history and experience show us that all political societies have had such origins and, adds Hume, "were one to choose a period of time, when the people's consent was the least regarded in public transactions, it would be precisely on the establishment of a new government." [23]

Nor is Hume content to stop here. To the complete denial of the contractualistic theory and of the freedom and initiative of the people at the beginning of every new form of government, he adds a plea in favor of continuity in the chain of human events.

> But, as human society is in perpetual flux, one man every hour going out of the world, another coming into it, it is necessary, in order to preserve stability in government, that the new brood should conform themselves to the established constitution, and nearly follow the path which their fathers, treading in the footsteps of theirs, had marked out to them. Some innovations must necessarily have place in every human institution, and it is happy where the enlightened genius of the age gives these a direction to the side of reason, liberty and justice: but violent innovations no individual is entitled to make: they are even dangerous to be attempted by the legislature: more ill than good is ever to be expected from them: and if history affords examples to the contrary, they are not to be drawn into precedent, and are only to be regarded as proofs, that the science of politics affords few rules, which will not admit of some exception, and which may not sometimes be controuled by fortune and accident.[24]

Since we all know that Burke used the same language,[25] what was there then to keep the two apart? There were in Hume

[23] *Ibid.*, p. 450. [24] *Ibid.*, p. 452.

[25] See for the doctrine of historical continuity his "Speech on the reform of the representation of the House of Commons, *Works*, vol. VI, pp. 146-47; on the wisdom of our forefathers, *Reflections*, vol. II, p. 307.

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survivals of that contractualistic ideology which had been discredited mainly owing to his efforts. Living in a period of transition, he came to the help of Burke more in a negative sense than in a positive one. Throwing a veil upon his former appeals to history and experience, Hume, in the last of his essays,[26] develops the idea of a perfect commonwealth without reference to time and place. He compares his research to that of the Dutchman Huygens who wanted to build the most perfect ship, although he admits that "it be not so easy to establish a new system of government as to build a vessel upon a new construction".[27] Hume is thus building a new utopia upon social conditions which have never existed and upon a metaphysical basis, thus belying his earlier disclaimer of any connection with the work of Thomas More (which together with *The Republic of Plato* he had asserted to be entirely imaginary).[28] Furthermore, Hume's interpretation of history is empiric and superficial; he does not try to discover the deep causes which underlie social development. To him everything is an "undecipherable maze"[29]; to him "a nation is nothing but a collection of individuals"[30] without any mutual spiritual tie, its history being but a collection of meaningless facts. He had shown this conclusively in his *History of England,* reviewed by Burke in the *Annual Register* for 1761 with only formal praise.[31] Deeper than the contrast between

[26] "Idea of a Perfect Commonwealth", *Essays,* vol. I, p. 479 *et seq.*

[27] *Ibid.,* p. 480.

[28] *Ibid.,* p. 481. In one of his earlier essays, "That Politics May Be Reduced to a Science", Hume had been much more careful, and had not gone beyond affirming that in the science of politics, certain universal axioms might be held true, as for instance "that an hereditary prince, a nobility without vassals, and a people voting by their representatives, form the best Monarchy, Aristocracy, and Democracy" (*ibid.,* p. 101). We do not find, however, any further aphorism of this kind in this essay. Hume was then too wary to venture far upon such treacherous ground.

[29] Stephen, *op. cit.,* vol. II, p. 185.

[30] "Of National Characters", *Essays,* vol. I, p. 244.

[31] See *Annual Register* of that year, p. 301 *et seq.* Personal intercourse between Burke and Hume was of the pleasantest. Hume repeatedly praised his "ingenious friend" (see Letters to Adam Smith of April 12, 1759, and to the Rev. Hugh Blair of September 19, 1763, in *The Letters of David Hume,*

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the several *Essays,* was that between the *Essays* and the philosophical writings. Notwithstanding the several lapses into outworn theories which we have just noticed, in the *Essays* there still was to be detected a practical undercurrent, a clear adherence to the principles of common sense and historical experience. Hume's philosophy, on the other hand, reached conclusions which Burke could but label with the name of skepticism. If the freedom of our actions is but an illusion of our pride, how can one speak of obligations and duties? If the spirit has no inborn tendencies, being at its birth but a blank sheet, where only experience can, little by little, leave its mark, how is one to distinguish good from evil? To Burke all this meant the crumbling of the moral construction of the old world.[32]

Against the skepticism of Hume's philosophy, we witness the reaction of the Common Sense School, led by Thomas Reid. Briefly told, the philosophy of the Scottish thinker and of his followers represents a revolt against the spirit of destructive criticism and an attempt to create for the mental processes a firmer basis, which is found either in experience, or in a set of original and axiomatic formulae called the principles of common sense.[33] Beyond these principles there are mysteries

edited by J. Y. T. Greig [Oxford, 1932], vol. I, pp. 303, 400). Mr. Greig, in his admirable edition, has brought to light a hitherto unpublished letter to Adam Ferguson, of March 10, 1767 (*cf.* Greig, vol. II, p. 125 *et seq.*), in which Hume manifests his regret for the alleged "sinking" of Burke's reputation.—We may add that Burke and Hume were in complete agreement with regard to the problem of the American colonies.

[32] Already in 1760, Burke foresaw in the ever-growing wave of skepticism the reason for the unsettlement of our notions of right and wrong (*Annual Register*, 1759, p. 479). See for the twofold aspect of Hume's thinking, Compayré, *La Philosophie de D. Hume* (Paris, 1877), chaps. xii-xiv.

[33] As to the origins of the words "common sense", it appears that they were introduced for the first time into philosophical terminology by Shaftesbury. Father Buffier used them again in his *First Truths*, published in 1717. Reid was accused of plagiarism, because he did not acknowledge his debt to Buffier, who, maybe, was guilty of the same fault toward Shaftesbury. Sir William Hamilton proves, however, that Reid became acquainted with Father Buffier's work only after the publication of his *Inquiry into the Human Mind* (*Reid's Collected Works*, ed. Hamilton [6th ed., Edinburgh, 1863], p. 789). The expression "common sense" had already acquired a wide currency by the middle of the eighteenth century.

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which the philosophers of this school agree in regarding as incapable of solution. This is a position very close to Burke's mind: toward the "fabric" of human society the attitude was one of reverence and awe, and in the hands of the gifted Irishman the doctrine of "common sense" will be changed into a doctrine of "historical sense", the historical tradition being nothing but the common sense of mankind.

The work of Thomas Reid was primarily a reaction against Hume. Reid could not acquiesce in the skeptical conclusions of Hume's philosophy, because, as he said, skepticism is destructive in a threefold manner: it destroys philosophy, it endangers Christian faith and it nullifies the prudence of the average individual. Leaving aside the analysis of the means with which Reid succeeded in approximating this system to a reality immune to all the mental anguishes of Hume, it will be enough to look at his exposition of the principles of common sense. There are, according to Reid, principles which have to be accepted as valid without demonstration:

> There are, therefore, common principles, which are the foundation of all reasoning and of all science. Such common principles seldom admit of direct proof, nor do they need it. Men need not to be taught them; for they are such as all men of common understanding know; or such, at least, as they give a ready assent to, as soon as they are proposed and understood.[34]

What happens when one is tempted to demonstrate or discuss those principles?

> When men attempt to deduce such self-evident principles from others more evident, they always fall into inconclusive reasoning; and the consequence of this has been, that others, such as Berkeley and Hume, finding the arguments brought to prove such first principles to be weak and inconclusive, have been tempted first to doubt of them, and afterwards to deny them.[35]

The door is thus open to skepticism. Reid's conclusions, however, are not so simple or so clear as it would appear. No little

[34] Reid, *Collected Works, Inquiry*, p. 230. The *Inquiry into the Human Mind upon the Principles of Common Sense* was first published in 1764.

[35] *Inquiry*, p. 231.

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uncertainty exists, for instance, as to whether "common sense" is meant to signify all of these principles collectively. Several, and not always mutually compatible, explanations can be offered of Reid's concept. In Reid's works common sense may, in the first place, be held to correspond to what are generally supposed to be the rules of conduct of the average individual, acting with prudence. Or, secondly, it may be interpreted to mean the inborn qualities of the human mind. It is only in this latter significance that it may be used to fight skepticism, or for any other philosophical purpose, as Reid himself is aware.[36] But the frequent failure on his part to preserve a careful distinction between the two meanings allowed Kant to qualify as empty verbiage Reid's philosophy of common sense.

From these uncertainties, Adam Ferguson was on the whole free. His interest centered in the attempt to discover the laws which rule the progress and decay of nations and to classify them according to their main characteristics. In this he followed Montesquieu, and the Frenchman's influence is evident throughout Ferguson's *Essays on the History of Civil Society*, first published in 1767.[37] To Ferguson the study of man's condition in the state of nature appeared wholly irrelevant, as were "the hypotheses as to the emergence of man from the condition of the lower animals, or from a state of warfare waged by every man against every other".[38] Man was to be considered essentially as a participant in civil society:

> Mankind are to be taken in groups, as they have always subsisted. The history of the individual is but a detail of the sentiments and thoughts he has entertained in the view of his species: and every experiment relative to this subject should be made with entire societies, not with single men.[39]

[36] *Inquiry*, p. 101.

[37] Open references to Montesquieu are very frequent: see, for instance, part I, §§ 10, 98, 99, 100.

[38] *Cf.* Henry Laurie, *Scottish Philosophy* (Glasgow, 1912), p. 207, and the whole of ch. xi on Ferguson.

[39] Ferguson, *Essay on the History of Civil Society* (Edinburgh, 1767), part I, § 1: "On the question relating to the state of nature", p. 6.

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The search for the ideal state of nature need not disturb him, because to Ferguson the natural state of man is the social one:

> If we are asked, therefore, Where the state of nature is to be found? we may answer, it is here; and it matters not whether we are understood to speak in the Island of Great Britain, at the Cape of Good Hope, or the Straits of Magellan. While this active being is in the train of employing his talents, and of operating on the subjects around him, all situations are equally natural.[40]

No wonder that a thinker like Ferguson should attract the attention and sympathy of Burke. Because of the stress laid on society, Burke could even forget the underlying pessimism of his nature and praise Ferguson's serene optimism on the nature of man. In a review which he wrote for the *Annual Register* as soon as the *Essay on the History of Civil Society* was published, he did not conceal his satisfaction:

> Many of the authors who have written on man, and those too some of the most ingenious, have set out by considering him as an animal, solitary by nature, and others, not satisfied with this blindness to what we read and see of his condition, in almost all ages and countries, have no less preposterously made him a mischievous one. . . . Mr. Ferguson, instead of adopting either of those capital mistakes . . . has refuted them both in the most masterly manner.[41]

After what we have said in the preceding pages, there seems to us to be little doubt left as to the link which binds together the Scottish school and Burke. It may conclusively be asserted that to the philosophers of common sense he owed not only the best arguments in his devastating criticism of the abstract theory of rights and of the social contract, but also, even if it be allowed that "his genius revealed for the first time what was

[40] *Ibid.*, p. 12.

[41] *Annual Register*, 1767, p. 308. The review is a lengthy one, and contains several excerpts from the *Essay*. Ferguson's significance has recently been stressed in an interesting work by Lehman, *Adam Ferguson and the Beginnings of Modern Sociology* (New York, 1930).

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the real significance of the historical method",[42] the first approach to it. Nor were the philosophers the only group of the Scottish school to impress Burke with the substantial soundness of their ideas: economists, too, like Smith, were there[43] and historians,[44] who, like Robertson, threw a "halo around the past",[45] linking it with the growth and present development of nations.

Personal animosities and political disputes notwithstanding,[46] the theories which Burke was to make his own nine years later in the *Reflections* bear a striking resemblance to those of Tucker, as expressed in his *Treatise Concerning Civil Government* published in 1781, although we cannot here properly speak of "influence" of one on the other, but rather of "concurrence" of both in a given political philosophy.

Tucker's *Treatise* is to be considered in the first place as an answer, however belated, to Locke, whose followers, it is argued, are in the habit of shifting their case from the partial and the particular to the general and universal. There is no doubt, for instance, that there should be absolute freedom in matters of religion and conscience: these being strictly "subjective" rights, it is of the highest importance that their exercise be always free and untrammeled.[47] The passage, however, from absolute religious freedom to absolute political freedom may be a source, according to Tucker, of very dangerous consequences. How can a civil government exist with a minority which can refuse adherence to any social obligation, such

[42] Vaughan, *Studies in the History of Political Philosophy, before and after Rousseau*, vol. II, p. 3*.

[43] See the reviews by Burke of *The Theory of Moral Sentiments* (*Annual Register*, 1759, p. 484 *et seq.*), and of the *Wealth of Nations* (*Annual Register*, 1776, p. 241 *et seq.*).

[44] Several of Robertson's works were reviewed by Burke: see *Annual Register*, 1759, p. 489 *et seq.*; 1769, p. 254 *et seq.*; 1777, p. 214 *et seq.*

[45] *Cf.* Murray, *op. cit.*, p. 258.

[46] *Cf.* the *Introduction* by R. L. Schuyler to *Josiah Tucker; A Selection from His Economic and Political Writings*, containing Tucker's letter to Burke on the American question (New York, 1931), *passim*, but especially p. 25 *et seq.*

[47] *Treatise*, p. 31 *et seq.*

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refusal being, according to Locke, an inalienable right?[48] Still another dissenting point is found by Tucker in the fact that Locke's school does not believe in the natural inclination of man toward civil government:

> For according to the Lockian system, mankind had no natural inclination towards any government whatever: but having found the evils of anarchy to be quite intolerable, they resolved at last to submit to the evil of government, as the lesser of the two. But in order that they might guard against the dangers to be feared on this side, as well as felt on the former, they determined not to part with their precious natural liberty, 'till security had been given, that such a cession should not be turned to their disadvantage.[49]

Given this starting point, Locke had been led to say that whoever subscribed to the pact, could not bind to it his descendants, so that with each new generation the pact had to be renewed at least by tacit consent. To Tucker's mind this was not consistent with common honesty and common sense.[50]

> For, after all, it is plain to a demonstration, that we must allow at last, what ought to have been allowed at first; viz. that protection and allegiance, between Prince and People, are reciprocal ties, and that the one necessarily infers the other, without the formality of an express personal covenant, or positive stipulation; so that if the duty of protection be performed on the one side, that of allegiance ought to be observed on the other, and vice versa.[51]

After such premises, which are a clear indication of his views, we shall certainly not be surprised at his conclusions. In the second book of his *Treatise* ("The True Basis of Civil Government"), Tucker maintains that human nature is endowed with both capacity for and inclination toward civil govern-

[48] *Ibid.*, p. 33 *et seq.* It is clear, however, that here Tucker forgets the fundamental fact that, after having fixed in the social contract the basis of the state, Locke maintained that the will of the community was expressed through the will of the majority.

[49] *Ibid.*, p. 41.

[50] *Ibid.*, p. 45.

[51] *Ibid.*, p. 48.

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ment, and that natural instinct comes before capacity. He is thus led to inquire in what measure nature has helped the creation of civil government through the several instincts, tendencies and propensities which are inborn to man.[52] Tucker is able to adduce five proofs. In the first place men "are formed by nature to be of the *gregarious* kind". In the second, we notice " . . . that there is a prodigious variety even in the *natural* endowments, both of body and mind belonging to the several individuals of the human species; so that probably no two among them are altogether, and in every respect alike". Furthermore, we notice "that these differences of genius and talents, these several excellencies and defects, these capacities and incapacities, are found, for the most part, to be relative and reciprocal; so that wheresoever one abounds, another is defective, and vice versa". And since "these animals mutually want each other's help and assistance; so are they naturally endowed with a power of making known their wants to each other, and their mutual willingness to relieve them". Finally it is clear

> that each of these human animals feels, generally speaking, a strong instinct to succour and relieve the wants and distresses of his fellow-creatures: — inasmuch as, next to providing what is necessary for his own preservation, and removing pain from his own person, he is prompted and spurred on to the like good offices for others. And he finds, that he receives great pleasure both in the immediate gratification of this benevolent, sympathizing instinct, and in his subsequent reflections on it.[53]

Having thus established the fundamental characteristics of the human race, Tucker goes on, with great clarity and vigor, describing the attitude of man within the given social group to which he belongs. His able analysis of human nature, of the great variety of individual abilities and capacities, was such as to produce a deep impression in a milieu, like the English one, very little tainted by the philosophy of individual rights. As Tucker puts it, the reality is

[52] *Ibid.*, p. 124.

[53] *Ibid.*, p. 124 *et seq.* It is hardly necessary to observe that, at least in its last part, Tucker's theory was derived from Smith's theory of moral sentiments.

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> . . . that there is found to exist in human nature a certain ascendency in some, and a kind of submissive acquiescence in others. The fact itself, however unaccountable, is nevertheless so notorious, that it is observable in all stations and ranks of life, and almost in every company. For even in the most paltry country village, there is, generally speaking, what the French very expressively term, *le coq du village;*—a man, who takes the lead, and becomes a kind of dictator to the rest. Now, whether this arises from a consciousness of greater courage, or capacity,—or from a certain overbearing temper, which assumes authority to dictate and command,—or from a greater *address*, that is from a kind of instinctive insight into the weaknesses, and blind sides of others,—or from whatever cause, or causes, it matters not. For the fact itself, as I said before, is undeniable, however difficult it may be to account for it. And therefore here again is another instance of great inequalities in the original powers and faculties of mankind:—consequently this natural subordination (if I may so speak) is another distinct proof, that there was a foundation deeply laid in human nature for the political edifices of government to be built upon;—without recurring to what never existed but in theory, universal, social compacts, and unanimous elections.[54]

Tucker has thus freed himself of the theory of the social contract, and, for that matter, of every theory, having given of the formation and rise of civil governments a natural, that is to say a historical, interpretation. He could not, however, escape entirely from the contractualistic influence, and, considering government as a trust, with implicit rights and duties, he makes use of the term of *quasi-contract:*

> . . . civil government itself is no other than a *public trust*, in whatever shape it may appear, or in whose hands soever it may be placed. In some few instances (very few indeed), the terms and conditions of this important trust may perhaps be ascertained and specified: but in multitudes of others they cannot, tho' of the highest concern: yet wherever they cannot, they are *implied:* and this implication may be very justly termed a *quasi-contract.*[55]

[54] *Treatise,* pp. 134-35. [55] *Ibid.,* p. 146.

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Tucker is quite happy over his discovery, which makes for perfect harmony of "reason and common sense, and the *known laws* of the land".[56] We may be pardoned if we maintain a somewhat skeptical attitude toward his dubious terminology, which, after all, seems to admit some kind of contract, after he has, with great scorn, destroyed both its practical and theoretical foundations. Notwithstanding the vagueness inherent in its conclusions, what is important in Tucker's reasoning still remains: (1) his conception of the origin of the state, a conception which is very close to that historical reality which Burke was to use to its most extreme possibilities and which former writers had completely failed to take into account, while talking of governments in a purely mechanistic and lifeless way; (2) his explanation of the psychological impulses of the masses in human terms which could be employed against the ideology of the French Revolution so much more effectively than the arguments of those who had made themselves the champions of the established order of things.

In concluding this review of some of the British sources of Burke's thought, one word may be added in regard to Bolingbroke's alleged influence. Bolingbroke's actions were to a large degree motivated by his hatred of Walpole's policies and by his desire of winning back a part at least of that political prestige which he had lost too soon.[57] His conception of parties was the opposite of Burke's. Parties were a nuisance and he welcomed their disappearance for the sake of that "national unity" which had then "so happily begun".[58] At most a party of landed gentry, "the true owners of our political vessel"[59] might be favored, since, with its help, he could have fought the "monied interests" which he believed were supporting Walpole. A "patriot king" was to have taken the place of the discarded parties: an omnipotent and all-wise

[56] *Ibid.*, p. 143.

[57] See Stephen, *op. cit.*, vol. II, p. 169 *et seq.* For the following analysis of Bolingbroke's thought, I am greatly indebted to Stephen's excellent account of it in his *History of English Thought.*

[58] *A Dissertation upon Parties, Works*, ed. 1793, vol. II, pp. 9-10, 11.

[59] *Some Reflections upon the Present State of the Nation, Works*, vol. III, p. 174.

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king, who alone could have saved the country from the ruin to which Wapole was leading it;[60] a king whose duty it would have been to end corruption and to unite rather than to divide. Again we find this same rhetorical emphasis, this same lack of true political insight, when Bolingbroke deals with the balance of powers and the problem of constitutional equilibrium. What is the meaning of the assertion that "in a constitution like ours, the safety of the whole depends on the balance of the parts; and the balance of the parts on their mutual independency of each other"[61] when one has pleaded for the disappearance of parties and for a despotism, however benevolent it may be? Significant of the contradictions which beset his thought is his assertion that democracy is the best bulwark against tyranny.[62] It is well known that Burke felt himself in accord with none of these views,[63] and that his estimate of Bolingbroke was not very high: "I do not often quote Bolingbroke, nor have his works in general left any permanent impression on my mind. He is a presumptuous and superficial writer".[64] This was written in 1790. As early as 1749, however, he had expressed his misgivings as to Bolingbroke's pet theory of a patriot king.

> It is the remark, Sir, and a just one, of an eminent statesman, who hath long been cut off from the rights and privileges of his native country, that there is a degree of corruption and vice, which nothing can check but the great example and superior virtues of a patriot king. Tho' we should never feel the want of that example I hope we shall never be reduced to a dependence on that alone: the lustre of a patriot king is undoubtedly great; but, alas, we behold it reflected only, and at second hand.[65]

[60] *The Idea of a Patriot King, Works*, vol. III, p. 72.

[61] *Remarks on the History of England, Works*, vol. I, p. 338.

[62] *Ibid.*, p. 280.

[63] On the essential functions of political parties, *cf. Observations on the Present State of the Nation, Works*, vol. I, p. 185, and *Thoughts on the Cause of the Present Discontents*, vol. I, p. 375.

[64] *Reflections on the Revolution in France, Works*, vol. II, p. 397.

[65] *Letter to a Member of Parliament*, prefixed to *A Second Letter to the Citizens of Dublin*, reprinted in Samuels, *op. cit.*, p. 373.

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Besides, the whole of his *Thoughts on the Causes of the Present Discontents* (1770) is a refutation of Bolingbroke's theory. And was it not against Bolingbroke's skepticism that Burke turned his pungent satire in 1756 with *A Vindication of Natural Society*? In the preface added to the second edition of 1765, Burke explains his purpose:

> The design was to shew that, without the exertion of any considerable forces, the same engines which were employed for the destruction of religion, might be employed with equal success for the subversion of government. . . . When men find that something can be said in favour of what, on the very proposal, they have thought utterly indefensible, they grow doubtful of their own reason. They are thrown into a sort of pleasing surprise; they run along with the speaker, charmed and captivated to find such a plentiful harvest of reasoning, where all seemed barren and uncompromising. This is the fairy land of philosophy.[66]

The contrast, however, was still deeper where Burke's originality has been commonly recognized as greatest: on the matter of historical method and of the significance and interpretation of history. According to Bolingbroke, "history is philosophy teaching by examples how to conduct ourselves in all the situations of private and public life".[67] His profession of the necessity of rising "from particular to general knowledge" notwithstanding, he is unable to detect in the series of events any connecting link, any motive of cause and effect. Bolingbroke is inclined to make of history a great catalogue of facts from which man whenever confronted by a difficult problem not to be solved otherwise, may draw a precedent, an example, to help him out of the impasse. Such, indeed, was not the use to which Burke wished history to be turned. To him history was

> a great improver of the understanding, by showing both men and affairs in a great variety of views. From this source much

[66] *Works*, vol. I, p. 3.

[67] *Letters on the Study and Use of History*, Letter IV, *Works*, vol. II, p. 267.

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> political wisdom may be learned; that is, may be learned as habit, not as precept; and as an exercise to strengthen the mind, as furnishing materials to enlarge and enrich it, not as a repertory of cases and precedents for a lawyer; if it were, a thousand times better would it be that a statesman had never learned to read.[68]

Leaving aside, as beyond our task, all consideration of the varied and contrasting influence on Burke of the French political philosophy,[69] we may, however, add a few remarks on a thoroughly anglicized writer, Jean Delolme, who in 1775 published in London his *Constitution of England*.[70] We do not always find in Delolme deep insight: his conception of the complexity of governments is very superficial: " . . . a government may be considered as a great ballet or dance, in which, the same as in other ballets, everything depends on the disposition of the figures ".[71] And his appeal to history is rather empirical. But the second book of his work contains an excellent analysis, far superior to Montesquieu's, of the gradual development and formation of the British constitution.[72] Delolme, however, instead of defining as historical the development he had described, as Burke did, attributes it to the " effect of a lucky concurrence of fortunate circumstances ".[73] On the

[68] *Remarks on the Policy of the Allies, Works*, vol. III, p. 456.

[69] If, on the one hand, he found in Montesquieu one of the forerunners of age" (*An Abridgment of English History, Works*, vol. VI, p. 297), on the other hand the "philosopher of vanity" (on Rousseau, see *Letter to a Member of the National Assembly*, vol. II, p. 516) was at that time the most brilliant expounder of the theories which Burke fought during his whole life. Very likely, Burke had begun reading Montesquieu during his college years in Dublin. See, for possible references to the *Lettres Persanes*, Burke's *Letter to Shackleton* of Nov. 1, 1794, as reproduced in Samuels, *op. cit.*, pp. 59-60. One has to take into account also the influence exercised through the publication in 1757-58 of John Brown's *Estimate of the Manners and Principles of the Times:* see the acknowledgment, thirty-eight years later, contained in the first *Letter on a Regicide Peace*, vol. V, p. 157.

[70] First edition in French, *De la constitution de l'Angleterre* (Amsterdam, 1771).

[71] *Constitution of England* (London, 1784), p. xi.

[72] *Ibid.*, see especially chap. xviii, p. 472 *et seq.*

[73] *Ibid.*, p. 488.

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other hand, the rise of the leader in the community, and the slow formation of the ruling class, which, even without direct participation in the government, exercises a considerable influence, are described with great brilliance.[74] Where, asks Delolme, lies the mistake which has always beset the students of political principles?

> Instead of looking for the principles of politics in their true sources, that is to say: in the nature of the affections of mankind, and of those secret ties by which they are united together in a state of society, men have treated that science in the same manner as they did natural philosophy in the times of Aristotle, continually recurring to occult causes and principles from which no useful consequences could be drawn. . . . Nor is it only the obscurity of the writings of politicians and the impossibility of applying their speculative doctrines to practical uses, which prove that some peculiar and uncommon difficulties lie in the way of the investigation of political truths; but the remarkable perplexity which men in general, even the ablest, labour under when they attempt to discant and argue upon abstract questions in politics, also justifies this observation, and proves that the true first principles of this science, whatever they are, lie deep both in the human feelings and understandings.[75]

With these words Delolme came a step nearer to Burke than Montesquieu. In his conception of history and society, he opens the door to less easily defined forces, deeply rooted in the human mind, forces which he does not name or classify: that, however, was done as never before, a few years later, by Burke himself.[76]

To our review of the many tendencies which undoubtedly contributed to the formation of Burke's thought, we may add, by way of conclusion, a few sentences of Burke himself, written in 1765. They show unmistakably the trend of Burke's political philosophy, which, we venture to say, was much more deeply rooted in the tradition of his country than it is sometimes

[74] *Constitution*, p. 488 *et seq.* [75] *Ibid.*, pp. 497-98, note.

[76] On the providential aspects of Burke's philosophy, see *Reflections*, *Works*, vol. II, pp. 268, 362, 367, 370; *Appeal*, vol. III, p. 79; and Einaudi, *Edmondo Burke e l'indirizzo storico nelle scienze politiche* (Turin, 1930), p. 74 *et seq.*

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supposed. They further show how early he had come to a decision on certain fundamental issues and how coherently therefore he always met the great problems which confronted his life.

> A mind which has no restraint from a sense of its own weakness, of its subordinate rank in the creation, and of the extreme danger of letting the imagination loose upon some subjects, may very plausibly attack every thing the most excellent and venerable; that it would not be difficult to criticize the creation itself; and that if we were to examine the divine fabric by our ideas of reason and fitness, and to use the same method of attack by which some men have assaulted revealed religion, we might, with as good colour, and with the same success, make the wisdom and power of God in his creation appear to many no better than foolishness. There is an air of plausibility which accompanies vulgar reasonings and notions taken from the beaten circle of ordinary experience, that is admirably suited to the narrow capacities of some, and to the laziness of others. But this advantage is in great measure lost, when a painful, comprehensive survey of a very complicated matter, and which requires a great variety of consideration, is to be made: when we must seek in a profound subject, not only for arguments, but for new materials of argument, their measures and their method of arrangement; when we must go out of the sphere of our ordinary ideas, and where we can never walk sure but by being sensible of our blindness. And this we must do, or we do nothing, whenever we examine the result of a reason which is not our own. Even in matters which are, as it were, just within our reach, what would become of the world if the practice of all moral duty and the foundations of society, rested upon having their reason made clear and demonstrative to every individual? [77]

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[77] Preface to *A Vindication of Natural Society, Works*, vol. I, pp. 2-3.

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MR. HOOVER'S "THE CHALLENGE TO LIBERTY"[1]

BY publishing this book, Mr. Hoover has done much to clarify the confusion through which the country is now laboring. At a time when the public mind is bemused with distracting details, he deals with general principles. While most thinking is confined to the current operations of emergency organizations, Mr. Hoover analyzes long-run effects. He treats fully the pocket-book factors that color our immediate reactions; but he sees these factors in their bearing upon our characters and future behavior. His discussion moves on a level above the personalities in which most of us indulge. There is no effort to justify the policies he pursued as President, or to pin responsibility for policies that he condemns upon any individual. He writes with vigor, but without rancor. His severest strictures are visited, not upon political opponents, but upon men who abused their economic power during the years of Republican rule. Though the book is largely devoted to criticism of the "New Deal", its aim is constructive. Mr. Hoover presents his vision of "American Liberalism" as the hope of the future.

That vision does not profess to be novel; on the contrary, Mr. Hoover holds that he is expounding the faith in which the country has grown great. Believing heartily in the fundamental soundness of what he calls "the American System", Mr. Hoover does not hesitate to point out grave weaknesses in it, or to stress the need of continual changes to meet new abuses and altered conditions. To call him a reactionary or a conservative is as wrong as to call him a radical. He occupies a middle ground and wages a war upon two fronts. Hence he is exposed more than most public men to misrepresentations. A rather full statement of his argument as a whole is necessary to bring out its real meaning.

I

The book has a clear logical construction, though its skeleton is not forced upon the reader's notice. At the outset Mr. Hoover sets forth his conception of liberty.

[1] *The Challenge to Liberty*, by Herbert Hoover. New York and London, Charles Scribner's Sons, 1934. 212 pp. $1.75.

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> Liberty is a thing of the spirit—to be free to worship, to think, to hold opinions, and to speak without fear—free to challenge wrong and oppression with surety of justice. Liberty conceives that the mind and spirit of men can be free only if the individual is free to choose his own calling, to develop his talents, to win and to keep a home sacred from intrusion, to rear children in ordered security. It holds he must be free to earn, to spend, to save, to accumulate property that may give protection in old age and to loved ones . . .
>
> There are stern obligations upon those who would hold these liberties—self-restraint, insistence upon truth, order, and justice, vigilance of opinion, and co-operation in the common welfare.
>
> . . . Liberty is an endowment from the Creator of every individual man and woman upon which no power, whether economic or political, can encroach, and that not even the government may deny. And herein it challenges all other philosophies of society and government; for all others, both before and since, insist that the individual has no such unalienable rights, that he is but the servant of the state (pp. 2-4).

The American republic "was the first of the modern nations to place into the structure of government the whole social philosophy of Liberty . . ." (p. 22). Through "its enthronement of the individual" (p. 24), American Liberty has called forth the best efforts of mankind. Human nature comprises certain instincts that are inborn, partly selfish and partly altruistic; also certain desires which are acquired. These impulses to action are present in varying proportions in every individual, and are modified by intelligence, ability, physical vigor and experience. Liberty calls for equality of opportunity for every child; but biological inequality is a hard fact which makes any scheme of economic equality unworkable in the long run. Out of these human characteristics experience has developed

> an economic system which we may define as one of private property, competitive production and distribution of goods and services in hope of a profit, the payment of differential wages and salaries based upon abilities and services, the savings of earnings and profits, the lending of them at interest through their investment in our productive plant (p. 28).

This economic system has served the country admirably in the long run.

> The American System has gone further toward solutions of economic security of the individual than any other system of society (p. 38).

Before the great depression came,

> We had embraced the thesis that payment of the highest real wage was the most effective way to increased economic and social progress,

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> and that industry had a definite obligation to its employees outside of their wage. . . . The hours of labor had decreased successively. . . . Child labor had decreased by over two-thirds in the twenty years before 1930. . . . We can say without qualification that the motivation of production based on private initiative had proved the very mother of plenty . . . for the first time in the history of the world and almost alone among nations we produced not only plenty to supply the minimum needs of our whole population for food, clothing, shelter, the protections of government, intellectual development, and recreation, but a larger measure of comforts (pp. 41, 42).

Of course the results attained were far from satisfactory, for Liberty is subject to two groups of abuses.

> First is the betrayal of public and private trust by individuals, and second are the problems of economic exploitation and domination which arise in modern business organization (p. 152).

Concerning the first group of abuses Mr. Hoover speaks with righteous indignation.

> The men who have been guilty of these betrayals have, by breaking down confidence in our institutions and our economic system, by the prejudice, hate, and discouragement they brought to our people, by the furious impulse to insensate action they aroused, contributed more to the cause of Regimentation, Fascism, Socialism, and Communism in the United States than all the preachments of Mussolini, Hitler, Karl Marx, or Lenin (pp. 152, 153).

But betrayals of trust may occur in any system of economic organization. With us they have

> largely disappeared from the industrial and distribution field. They have appeared mostly in the financial and banking fields (p. 163).

Of vastly greater importance than sporadic betrayals of trust is the economic exploitation of labor and of the public. Competition is the great safeguard against exploitation; but it is

> open to marginal abuses which must be regulated. Common honesty is not universal; some groups will conspire to avoid competition; some competitive processes, while not dishonest, yet result in destructive action which oppresses labor and the public; and some industries, by their nature, are semi-monopolies, where reliance upon competition is an insufficient safeguard of the public interest. Beyond these are the financial manipulation of business agencies; vicious speculation in their capital stocks; exploitation of the investor; and improper interference by business in government (pp. 154, 155).

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> The opponents of the American System cite these misuses of Liberty as if they were its overwhelming characteristics. That they are marginal problems can be demonstrated in a few sentences. The billions of daily transactions among our people are carried on in justifiable confidence in integrity and fairness, or the economic clock would stop (pp. 155, 156).

And our government has gone far in efforts to check such abuses.

> We have developed State and Federal regulation of competition through the anti-trust laws by which we compel competition. We have so greatly succeeded in maintaining competition that Regimentation now claims it is too vigorous and that it should be greatly reduced by law. In the semi-natural monopolies, we have developed the regulation of rates, services, or profits in canals, turnpikes, railroads, ferries, electric power, gas, water, telegraphs, telephones, radio, and others. We have regulated the businesses engaged in public trust such as banks, insurance companies, building and loan associations, and others. We have required purity and proper presentation of goods. We have established the protection of health, and conditions of labor of men, women, and children. . . . Such regulations must be periodically revised but the long history of these advances demonstrates that Democracy can remain master in its own house (pp. 158, 159).

The field that most needs further regulation is that of banking and finance.

> The financial and credit set-up should be merely a lubricant to the systems of production and distribution. It is not its function to dominate and direct these systems. Moreover, that it should be so badly organized, that the volume of credit, whether long or short term, should expand and shrink irrespective of the needs of production and distribution, that it should be the particular creator of emotional fear or optimism; that it should be diverted from essential use in production and distribution to manipulation or speculation; that its functions should be misdirected to wildcat promotion instead of construction; that its depositories should be insecure; that there should be betrayal of trust and exploitation—all this is intolerable . . .
>
> This field has been hitherto left very largely to the States. From the failure of the States to carry out their responsibilities, and the interdependence of these institutions across State lines, we are forced to new adjustments in regulation (pp. 163, 164).

In addition to financial regulation we need

> revision and co-ordination of our State and Federal regulatory laws in many other directions—over railroads, electric power, and other semi-natural monopolies, over waste of our natural resources, and over destructive competition which produces child labor and sweatshops (p. 165).

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The long-run aims toward which the economic policy of American Liberalism is directed are

> to improve stability in the economic system, security in individual living, to attain just distribution of national income, and to cultivate our relations with other nations (p. 168).

The major disturbers of stability are

> wars, whether military wars or trade wars; unbalanced budgets, with their perpetual threat of inflation; unstable currencies; and booms and their recoil of depressions (p. 171).

Business cycles, Mr. Hoover holds to be "in large degree within our own control". The first need is a stable financial and credit system—

> a system which will serve as a brake upon that optimism and inflation which create booms, with their speculative building or gambling, and will also be impregnable to destruction from the fear which accelerates depressions (p. 175).

The problem of providing greater individual security of living is envisaged by the American System

> as the abolition of poverty among those who have the will to work and thus the abolition of that haunting specter of humanity—the fear of dependency.
>
> . . . the first requirement of solution is to sustain an economic system which has proved its ability to produce a "plenty" of goods, services, and comforts adequate for the needs of the whole population (p. 177).

This system has provided security in education, public health, and various other respects, including "the assumption of responsibility by government to relieve distress from depression unemployment" (p. 178). Home and farm ownership, insurance and savings represent other advances toward security. But these solutions are incomplete and we have a social responsibility to press further.

> The difficulties are in discovery of methods which will not deteriorate thrift, create a group of loafers, and will not undermine the responsibilities of State and local government, or lay unjust burdens upon agriculture. The problem of assurance against undeserved poverty is soluble and it becomes increasingly clear that the true American System alone can solve it, for that system alone will produce the plenty (p. 179).

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Not less definitely does American Liberalism demand a juster distribution of national income. But here again Liberalism proceeds with a caution born of experience; "for violent action distributes more poverty than wealth" (p. 182).

> That some individuals receive too little and some receive too much for the services they perform is a certainty. The contrast between poverty in a hard-working, thrifty home and the perverse extravagance of the wilful drones is a blot. But we may point out that with the diffusion of income in normal times under our system among 25,000,000 American families, it cannot be justly claimed that more than a fringe of a few hundred thousand receive more than they deserve for the service they give the community and that there are not more than a few million on the other fringe who conscientiously work and strive and do not receive that to which they are justly entitled. In between lies the vast majority of our people (p. 180).

> Nothing is more certain than that we require a constantly wider diffusion of income. . . . The American System has long since realized the necessity of curbing the undue amassing and concentration of wealth. The denial of primogeniture, the constant drive to preserve competition, to control monopoly, the drastic taxes upon inheritance, all have shown evidence of this realization. . . . The constant ideal of the whole American System has been thrift and the wider and wider diffusion of property. . . . But society must have the maximum effective work, and to get it, men must be given competitive rewards which inspire labor and enterprise. We can better afford to pay too much for creative enterprise than too little, for creative activity brings reward to the whole nation (pp. 181, 182).

Finally, "Liberalism has ever been the exponent of peace among nations."

> Not in a hundred years have the great democracies of the world gone to war with each other. Yet that same century has been splattered with blood from despotisms battling with each other, and from Liberal governments defending themselves against attacks by such nations. The most practical proposal of peace to the world has been the extension of self-government (p. 183).

II

Such are the main features of Mr. Hoover's picture of American Liberalism, of the economic results it has achieved and of the aims it cherishes for the future. The cumulative improvement of conditions fostered by this system was rudely interrupted by the Great Depression.

That depression was not due to incurable defects in the economic system. It is true that American business was

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disorganized by our own inflation, by our own industries unbalanced by the war and by our own speculative madness.

But essentially

> The depression was a step in the liquidation of the war . . . the most terrific destructive impacts upon our economic system . . . came in 1931 out of the war-caused financial collapse of the area of former despotisms of Central Europe (p. 169).

The strain "brought to the surface a number of weaknesses and abuses" (p. 107), but

> Our system of Liberty proved its vitality to recover even from this particular and unusual depression. . . . The tremendous battle to prevent world economic chaos was fought concurrently in many countries in the summer and fall of 1931 and the winter and spring of 1932. The depth of the depression had been passed in the summer of 1932. The lifting effect of domestic and world measures and the natural forces of recovery became evident in every branch of national life during the summer and fall of 1932—as they did also in the sister democracies, the British Commonwealth and France . . .
>
> Ours was the only country in which there was subsequent hesitation in this forward movement. The election by its determination of an abrupt change in national policies naturally brought a break in the march of confidence and recovery. This hesitation quickly transformed itself into alarm among an enlarging circle who were convinced that under the new policies the gold standard would be abandoned, that inflation and enormous government outlays and borrowing would be undertaken. These alarms resulted in vast withdrawals of gold, a flight of capital abroad, and runs upon banks, despite the solvency of the system as a whole, which quickly precipitated a banking panic (pp. 170, 171).

In these restrained words Mr. Hoover charges that fears of the monetary policy favored by the present Administration brought upon the country the desperate emergency for which the Administration presently adopted desperate remedies. How far his charge is justified is a question destined to be acrimoniously debated by political partisans. To determine what might have been had some critical decision been reversed in the past is as difficult as to forecast what will be in the future. The future in due time determines which prophets were right and which wrong, but no such final decision is ever rendered on speculations concerning things that did not happen. One significant fact, however, is established by the impartial record of statistics. Despite Europe's dependence upon business conditions in the United States, the revivals which occurred in England and

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France during the summer of 1932 continued without serious relapse in the spring of 1933, when this country touched a lower point of depression than that which marked the spring of 1932. In the latter part of 1933, French business took a turn for the worse; but the gradual British revival has continued its course.

III

Of the emergency measures of the Roosevelt administration Mr. Hoover has three kind things to say:

> The codes have served admirably to reduce child labor by about 25 per cent, and they have eliminated sweating in certain trades. They have eliminated some unethical business practices . . . (p. 83).

As a whole, however, he regards the "New Deal" as a program of "National Regimentation"—

> the most stupendous invasion of the whole spirit of Liberty that the nation has witnessed since the days of Colonial America (p. 85).

National Regimentation began with a vast centralization of power in the Executive. It has extended by a process of "coercive co-operation" over all the major fields of enterprise.

> The most effective part of code operations are devoted to limitation of real competition . . . if these industrial regiments hold to discipline they are at once constituted as complete guild monopolies as any in the Elizabethan period . . . an equally regrettable social effect has been that the imposition of larger costs, and the fixing of minimum prices and trade differentials crashes down at once on smaller units of business. . . . All this is in fact the greatest legal mechanism ever devised for squeezing the smaller competitor out of action, easily and by the majesty of the law (pp. 84, 85).
>
> Instead of temporarily reducing the production of marginal lands by measures of relief pending world recovery, the great majority of farmers were regimented to reduce production from the fertile lands. The idea of a subsidy to a farmer to reduce his production in a particular "staple commodity" was expanded by requiring a contract that he would follow orders from the Secretary of Agriculture in the production of other "staple commodities." Voluntary action was further submerged by threats that if he did not sign up he would have difficulty in obtaining credit. . . . Since only those who have had the habit of producing cotton and some other commodities may now do so, they are given a monopoly and any other farmer is precluded from turning his land to that purpose. . . . The whole thesis behind this program is the very theory that man is but the

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pawn of the state. It is a usurpation of the primary liberties of men by government (pp. 86-88).

Public Works money has been allotted to the erection of dams and reservoirs, and to the construction of power plants, the major purpose of which is to undertake the production and sale of electricity in competition with the citizen . . . where the government deliberately enters into the power business as a major purpose in competition with the citizen—that is Socialism (p. 89).

The installation of managed currency required the repudiation of the government contract to meet its obligations in gold . . . it changed the value of all contracts between citizens far beyond the present appreciation of the citizen of its possible results—if it shall prove to have the effect which was intended. . . . Under this operation the citizens were regimented into two groups, debtors and creditors. An empirical and universal amount of 40 to 50 per cent was set as the degree of shift in the value of all property to the debtor regiment from the creditor regiment (pp. 91, 92).

Going off the gold standard theoretically raised most tariffs 40 per cent, and theoretically imposed that barrier against goods on the free list as well. . . . Men can higgle with each other in the markets of the world and there is no ripple in international good-will, but when governments do the higgling, then the spirit of antagonism between peoples is thrice inflamed (pp. 101, 102).

Mr. Hoover does not admit that the emergency faced by the country in 1933 necessitated or justified "departures from fundamental liberties" (p. 104); but his chief concern is lest the current policies be consolidated and made permanent.

One may disagree and keep silent as to the justification of some of these measures if they are to be limited to "emergency," for in the march of a great people that is relatively unimportant if that is all of it. . . . If not permanent, these emergency measures will have served the purpose of having exhausted the pent-up panaceas of a generation and broken them on the wheel of resistant human behavior and the spirit of a people with a heritage of liberty. The threat of the continuance of these "emergency" acts is a threat to join the Continental retreat of human progress backward through the long corridor of time (pp. 192, 193).

The worst that can happen in this country, however, is a temporary regression toward regimentation and poverty. In the long run Mr. Hoover has

no fear that the inherent and unconquerable forces of freedom will not triumph. . . . The spark of liberty in the mind and spirit of man

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> cannot be long extinguished; it will break into flames that will destroy every coercion which seeks to limit it (p. 205).

And with that confident prophecy Mr. Hoover ends.

IV

There is nothing in the ultimate aims of "American Liberalism" as expounded by Mr. Hoover that is incompatible with the ultimate aims of the New Deal. Greater stability in the economic system, greater security for the individual, a juster distribution of income, better relations with other nations — every member of the present Administration would accept these aims. Nor do I think that Mr. Hoover would object to the ultimate aims formulated by the New Deal. He too believes in full employment, high wages, a short working day, security against unemployment, comfortable housing, conservation of natural resources, the maintenance of free speech, free criticism and free conscience.

I have condensed this formulation of the New Deal's aims from Secretary Henry A. Wallace's *New Frontiers*, published at almost the same time as *The Challenge to Liberty*. That book shows an agreement with Mr. Hoover's position which extends beyond general aims. Both the Secretary of Agriculture and Mr. Hoover celebrate the past achievements of our people in subduing a continent; both admit glaring defects in our economic organization, and both call for further regulation by the federal government. Both hold that individual initiative and coöperation must be combined to achieve satisfactory results, and both agree that the need for coöperation grows with the increasing economic interdependence of individuals and of nations. Mr. Hoover retracts no iota of his praise of "rugged individualism" (pp. 54, 55); but he declares "that the very sustenance of Liberty and the hope of humanity is in coöperation" (p. 33). In similar vein, Secretary Wallace stresses both the duty of holding over "from pioneer Protestantism the emphasis on the sacredness of the individual", and the "modern duty to make individual and group interest coincide" (*New Frontiers*, p. 254).

The differences between the protagonist of "American Liberalism" and the protagonist of the New Deal do not become clear until they take up problems of ways and means. Their views of the practical working of the Agricultural Adjustment Administration show the point at which they part company.

To Mr. Hoover the salient feature of the process by which the AAA induced farmers to cut their crop acreage is "regimentation"—

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at best it is coöperation backed by threats that non-compliance would mean deprivation of credit. To Secretary Wallace the outstanding feature of the whole procedure has been the democratic methods of making adjustments which were developed "in hundreds of counties and involved hundreds of thousands of farmers." The task was not and "could not have been done by Government agents." In the long run, he thinks,

> it may turn out that the greatest benefit of the adjustment programs may be, not the price increases or the benefit checks, but the knowledge among farmers themselves that individual and group interest can be made to coincide, and that the method employed is none other than that of a working, effective democracy (*New Frontiers*, p. 261).

The New Deal at large is presented by Secretary Wallace as a strenuous effort to find what he calls "The Process of Economic Democracy" (*ibid.*, p. 263). The experiments of recent years suggest to him three promising lines of effort:

1. The County Agricultural Control Associations . . . represent a beginning of economic democracy in action . . .
2. The code authorities of the NRA when they provide for a vital, understanding participation of labor, industry and consumers with government sitting as referee can provide in due season economic democracy in industry.
3. A national economic council should endeavor to see that the decisions of the various groups—agricultural, industrial, financial, labor, consumer—are such as promote internal and external balanced movement toward higher standards (*ibid.*, p. 264).

Such a scheme, he continues, would combine national planning and local coöperation in much the same way that they have been combined in the AAA experiment.

> . . . we found it necessary to draw up certain national and even international objectives which could be defended as sensible to all fair-minded, intelligent people. To draw up this general policy after going into the various local situations, we felt to be definitely a Federal function. The assigning of local responsibilities and opportunities under such a broad policy was also chiefly a Federal duty. But the carrying out of the program in the states and counties was undoubtedly a local responsibility to be administered with the minimum of interference from Washington. True, Washington found it necessary at times to stimulate or restrain the local units in conformity with the national policy but the entire effort has been to create such feeling of community of effort from top to bottom that each local unit would carry out its responsibility with a feeling of pride in its contribution to the national and international well-being (*ibid.*, pp. 285, 286).

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Now Mr. Hoover has no quarrel with national planning as such, though he often writes as if he had. He points out that

> We have been engaged in planning, and the execution of plans, within the proper functions of government ever since the first days of George Washington's administration. We have planned and executed public school systems, safeguards to public health, conservation of national resources, the reclamation of desert lands, vast river and harbor development, a magnificent system of highways and public buildings, the creation of parks, the beautification of cities, and a thousand other activities in every state, town, and village. We have planned and executed laws controlling semi-monopolies and maintenance of competition. We have set up the Federal Reserve System, the Land Banks, the Home Loan Banks. We planned and built the Panama Canal. The government has co-operated with the people in planning and executing a great system of railways, of air ways, and merchant marine. It has gone further. The government through its constituted officials has co-operated in furthering great social activities, by determining facts and by assisting organizations to make plans for social advancement, to create standards, to co-ordinate thought and stimulate effort (*The Challenge of Liberty*, pp. 109, 110).

In view of all this national planning of which he approves, Mr. Hoover ought not to couple "National Planning" with "National Regimentation", as he does in numerous passages. His task is to show what types of national plans are "within the proper functions of government" and what are not.

That is a question which has been much discussed by economists since Adam Smith expounded "the simple and obvious system of natural liberty." Today few people would draw the line as closely as the Father of Political Economy did when he limited the duties of government to three: national defence, the exact administration of justice, and public works which would not repay their cost to private persons, though worth more than their cost to the public. Certainly Mr. Hoover accepts no such lines. American Liberalism, he says, has been "no system of *laissez faire*" (p. 6); "its very nature is progressive" (p. 23):

> Its practice is a sensitive adjustment of conflicting rights and interests through a spirit of decency and co-operation in human relationships, reinforced by governmental restraints, to the end that men may enjoy equal opportunities (pp. 34, 35).

As shown above, he calls for numerous extensions of governmental restraints, which cannot be made wisely without more national planning.

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The crucial decisions between the governmental restraints which Mr. Hoover approves and the restraints which he condemns turn, not upon *a priori* principles, but upon consideration of the social and economic consequences which the measures in question will produce. Such consideration of the probable consequences of different measures is an essential feature of any national planning worthy of the name. The most valuable parts of Mr. Hoover's book, and of Secretary Wallace's also, are the parts devoted to showing how certain measures work, what results they may be expected to produce in the short run and the long run. Their differences of opinion on this head are the differences most important to thresh out.

Of course agreement in analysis of probable results, could it be attained, would not produce unanimity of opinion upon the desirability or undesirability of any plan. It would still remain to decide what results we like, and the variety of predispositions and economic interests in this country is sufficient to guarantee that democratic decisions will be made upon a majority-minority basis. But democratic decisions can be intelligently made only as the voters realize what consequences they are likely to bring upon themselves by marking their ballots in one way or another. Actual trial may be necessary in certain cases to determine the effects actually produced; our people have shown themselves ready to experiment boldly and to reverse their decisions when the results do not answer expectations. The method of trial and error, however, involves heavy costs, and it is wise before embarking upon actual experiments to think out results just as thoroughly as possible.

Take for example the question whether the country should set up a formal organization for economic planning. Secretary Wallace believes that a national economic council is necessary to promote internal and external balance among the decisions reached by different group interests because the concentration of power in great corporations has interfered gravely with the balancing formerly effected by an impersonal, quasi-automatic process in the commodity markets. When business enterprises were small and numerous, all commodity prices were flexible in much the same degree. A depression forced nearly all prices down; but since the fall was nearly universal, no producer was ruined by having to sell cheap while his buying prices remained high. Nowadays powerful corporations can and often do curtail production instead of reducing prices, while small producers must take lower prices and stave off bankruptcy, if they can, by increasing output. Then the large-output, low-price

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group cannot buy freely from the high-price, low-output group, and recovery is blocked. The more we relax the provisions of the anti-trust acts, the more serious this difficulty will become. Hence a national economic council is needed to see that the balance maintained by the markets under simpler conditions is not disrupted in a nation where the Steel Corporation and six million farmers must do business with one another. Such is my understanding of Secretary Wallace's none-too-clear argument.

If I may venture a similar interpretation of Mr. Hoover's position, he might say first, that any scheme of price and production controls will break down in the local units. The "modern duty to make individual and group interest coincide" will not prevent strong individualists from "chiseling". When some begin to cut prices in any group, their competitors are forced to follow suit. Then Secretary Wallace's reliance upon democratic coöperation in the common interest must be supplemented by coercive enforcement. What began as an attempt to enlarge the individual's effective liberty would end in attempts at regimentation so intolerable and so futile that the whole plan would be condemned by public opinion. Second, Mr. Hoover might say that no man or council of men knows enough about the infinitely complex inter-relationships among economic processes to keep them in balance. Certain abuses of economic liberty, particularly in banking and finance, should be remedied. With these repairs, the economic mechanism will keep its own balance better than any council can keep it. Third, he might say that "bureaucrats" are the last men whom we could trust with power over our economic activities, perhaps adding Adam Smith's famous dictum that authority "to direct private people in what manner they ought to employ their capitals . . . would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it."

Of course these answers would not carry conviction to Secretary Wallace's mind. He thinks that the experience of the AAA reveals a rapid growth in the ability of farmers to act in their common interest. Whether he is equally optimistic concerning the workings of the NRA does not appear. He admits that our knowledge of economic equilibrium does not meet our needs; but he inclines to believe that a council of impartial and sensible men could maintain a better balance than do markets in which huge concentrations of capital confront scattered individuals. He thinks that conditions have changed so profoundly that no tinkering with banking, finance

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and public-utility rates will make the automatic mechanism operate smoothly. Granting the grave difficulties to be encountered, he nevertheless believes that we are ready to experiment with national economic planning, not on an emergency basis when there is no time to consider measures with care, but deliberately, as a continuing routine.

This presentation of the points on which Mr. Hoover and Secretary Wallace disagree does neither statesman justice. Nor does it put anyone in a position to decide without more ado which statesman is right. It is of use only as showing that to reach a sound conclusion we need to know with assurance many things about which we now have divergent opinions. In the last resort, the hope of building up a social and economic system that will protect our liberties and promote our welfare in the complex world of today rests upon the progress of the social sciences quite as truly as our hope of controlling natural forces rests upon the progress of the physical sciences.[2]

Meanwhile we should apply what scientific knowledge we have to the guidance of practical affairs, private and public. For that purpose a national planning organization should be helpful. All the difficulties and dangers of the New Deal program are arguments, not against national planning, but against waiting for emergencies to arise before we plan.

To render effective service, a planning board should consult representatives of the interests that would be affected by changes it might recommend. It should have close connections with State and local planning boards. It should have the assistance of a technical staff including men of varied knowledge and experience. It should take into account the physical aspects of its problems, the administrative procedures involved in new arrangements, and the costs to be incurred, as well as the economic and social consequences likely to ensue. Above all, a national planning board should have time to think through its programs thoroughly before recommending action. Finally, whatever recommendations are made should be subjected to deliberate consideration by the Executive and by Congress before they are accepted.

[2] It is pleasant to recall that Mr. Hoover as Secretary of Commerce and later as President initiated numerous studies of economic and social conditions, including the elaborate report upon *Recent Social Trends;* also that, before he became Secretary of Agriculture, Mr. Wallace won high standing by his statistical researches. The need for more exact knowledge of social relations is one of the points upon which our two statesmen agree.

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A national planning board of this sort would study suggestions like that made by Secretary Wallace for maintaining economic balance with care before accepting or rejecting them. It would consider with equal care the psychological traits of our people which Mr. Hoover stresses as factors of fundamental importance in all attempts to adjust social action to changing social needs. One of its most important tasks would be to find where the line should be drawn between government actions that encroach upon and government actions that enlarge the effectual liberties of individuals.

Whether public opinion in the United States is ready for an organized attempt to promote the solution of social problems by taking thought remains to be seen. When times are bad we demand immediate action; when times are good we deprecate any interference. But perhaps we have learned enough from our hard experiences since 1929 to improve upon our past practice.

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REVIEWS

Woman in Soviet Russia. By FANNINA W. HALLE. Translated by MARGARET M. GREEN. New York, the Viking Press, 1933.—xiii, 409 pp. $4.50.

Women Who Work. By GRACE HUTCHINS. New York, International Publishers, 1934.—285 pp. $2.00.

These two volumes—one on Russia, the other on the United States—have a peculiarly intimate texture and belong side by side as companionate challengers to those who read books. Women who work in America are urged by Grace Hutchins to consider women in Soviet Russia. And the women in Soviet Russia are so well described by Fannina Halle that those who cannot afford to study by seeing that revolutionized economy may examine it at a distance with an exceedingly competent guide. So might these books be reversed in the order of their reading. One who begins with the Russian story and proceeds to the American scarcely needs an invitation to ponder on the comparative situation which women meet in the modern world.

Nor is it only for women that these books have a sharp companionate meaning. They are so revelatory of the relations between the sexes in the cultural complex of nations that neither men nor women, who aspire to be intelligent about the economic, political and social rôle of themselves and their fellows, can afford to ignore these volumes. They are of prime value for the thought which concerns itself with political and social "science" and likewise indispensable to the thought which concerns itself with economic and political action. Such thought and such action presumably rise above the issue of sex into the realm of the human totality.

Miss Hutchins brings the forgotten woman out into the open air where the forgotten man was recently led, and indeed makes the woman in the case Exhibit A in the indictment of the vaunted business enterprise of America. Her acid test of the valor and virtue of the capitalist process is the character of the lowest producing level which it creates. This level she pictures without the restraints of academic codes, for she suffers with suffering and feels as she meditates. Thus tables of hours and wages, though present, are

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submerged in descriptions dealing with such matters as where the women work, at what they are toiling, the double burden which "economic independence" places upon them, their premature physical breakdown, their homelessness and starvation, with unemployment but a step beyond their living death at work. In her survey of working women, the agricultural laborers are remembered—a feat of rare occurrence among urban students of economy. What is more, the Negro is included and, appalling as are the statements about the life and labor of white women, they are positively paralyzing with respect to Negro women. There is no other account of women who work in America which has the sweep, the graphic presentation despite the control of imposing statistical tables, and the careful effort to keep within the facts, withal, of Miss Hutchins' reporting. One may go over the product of a seminar discussion, as a rule, and turn to the next thing on the day's schedule unperturbed. One cannot go over this humanized product and take up anything next in the day's schedule calmly. It is provocative of pain from cover to cover—the pain of thought and feeling.

Take this by way of illustration. In harmony with the findings of the U. S. Children's Bureau, her account of modes of life and labor among the vegetable and fruit pickers of Maryland stands as follows (pp. 67-68):

> A "shanty" usually serves as sleeping quarters for all the workers and is nothing but a weather-beaten or unpainted structure, the windows of which usually lack either glass or shutters or both. The big room is divided into sections or pens, each section being about six feet long and from four to six feet wide and covered with straw for mattress. Each family is given one of these pens for a "home". At night, men, women and children, partly clad, one family separated from the next only by a plank, lie side by side. More than half the families surveyed had no toilet facilities. Many of the camps had no privy. . . . Negro migratory workers have the worst conditions of all. In the Norfolk, Virginia, trucking section many are living in the most primitive way, several families often forced to occupy a one-room shack, sleeping on hay or wooden crates. They have only camp fires for all cooking. In many of these camps for Negro migratory workers, there are no toilet accommodations whatsoever.

In her passionate revolt against such American primitivism, Miss Hutchins turns swiftly and completely to communism as the remedy. She blames capitalism without stint for American industrial horrors. She gloats on Russian planning for a decent social order and sex equalities. She has a "Morrison pill", in other words, by the

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swallowing of which light would break through the gloom and America emerge as a civilized state, on the instant no doubt. She has herself already swallowed without a question the doctrine of sex subjection in history and thus sees the exploited American female as sheer victim of man's cruelty.

We would therefore recommend to Miss Hutchins, as to other readers, the book by Fannina Halle, the power of which rests on its scholarly familiarity with the long past of Russia out of which flows inevitably the contemporary Russia. Fannina Halle is Russian-born. She knows the literature of Russia. She knows the Russian people as relatives, friends and acquaintances. She traces the present status of Russian women to its underlying roots in the thought and action of all the Russian women who have gone before—the revolutionists of modern times, their ancestors back to pre-Christian times, and their ancestors back to the matriarchate. Thus one discovers in the temperament and record of the Slav woman as a whole the key to the generation of Slav women whom we observe today. The amount of sex subjection in that temperament and record is amazingly meager. The indomitable spirit of the Slav woman of Russia is the striking fact in the case. The history of Russia could be written in terms of women no less than of men and few Russian historians are blind to that truth. Trotsky's work on the Russian Revolution, for instance, gives women a vital rôle in the determination of its course. Women's share in shaping their own destiny is richly disclosed in the treatises on Russia, but Fannina Halle assembles the data for a long period of time and makes all live for us.

How pitiful the tale when one turns back to women who work in America! And how pitiable their plight! The little attempts at unionism. The undercutting and the underbidding. The patience. The endurance. The wasting-away of human life. The feeble-mindedness.

But the answer—in America? Does communism, Russian style or in any other purer form, flow inexorably out of the American past of men or women? If it does not, can it flow at all in America? Again we say that these two books—one on Russia, the other on America—written by two women, one Russian, one American—on women—are companion volumes interwoven as prime material for the two sexes who seek to comprehend the social forces which shape their lives or which they try to shape wilfully. Both books are illustrated.

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American Agricultural Policy. By PERSIA C. CAMPBELL. London, P. S. King and Son, Ltd., 1933.—xv, 304 pp.

The author of this book, an Australian who took an M. A. in Sydney and a M. Sc. degree in London, came to the United States in 1930, on a two-year Rockefeller International Fellowship. She visited colleges, agricultural conferences, individual farmers in various parts of the United States and spent much time in Washington in the United States Department of Agriculture and in the Federal Farm Board, gathering the material for this volume. The book contains five chapters dealing with The American Farmer, Public Aid to the Farmers, Regulating Production, Marketing Policy and the Present Situation.

The foreign reader will find this volume full of interest from first to last. The American student will find the first two chapters covering materials with which he is familiar, but in the third chapter he will find an important contribution to the literature of agricultural economics in the United States. It is a first-hand study of the development of the methods used by the United States Government in its efforts to bring about an adjustment between the supply and the demand for agricultural products. But even chapter i on The American Farmer contains some interesting suggestions which the foreign author has brought to this well known subject. The discussion of the American farmer centers about the family farm, the activity, the income and the standard of living of the farm family and the questions of education, health and social life in the rural community. There is an unintended sting in one sentence of this chapter, namely, "The Civil War freed the slaves but left them landless, in contrast to the freeing of the serfs in Europe, and they had perforce to work as they could." There is a whole volume of American agriculture, social, political and war history tied up in this one phrase.

The second chapter gives the general history of the evolution of the public agencies in the United States relating to scientific research in the field of agriculture, agricultural education and the development of the agricultural extension service with its 4-H Clubs and the vocational agricultural educational system in connection with the high schools. Attention is also given to the development of the agricultural credit system under the Federal Farm Loan Board of 1916 and the Federal Farm Board of 1929.

Chapter iii, dealing with the regulation of production, contains sixty pages, dealing first of all with the efforts on the part of the

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Bureau of Agricultural Economics to provide information through the "Outlook Reports" which would enable farmers to adjust their production to the market demands. The effort was to forecast, prior to the time of planting, the probable condition of the market at the time when the product would be ready for sale. Miss Campbell's treatment of this subject occupies the greater part of the chapter and is a remarkably able presentation. The last few pages of the chapter are devoted to the efforts of the Federal Farm Board to induce farmers to reduce production, which failed because the Federal Farm Board had neither the authority nor the machinery for effectively dealing with this question. Not only students of agriculture but economists generally will do well to read this chapter, not only because it traces the early history of the "Outlook Reports" and the early efforts at price-forecasting for agriculture but because it pictures the scientific background on which the A. A. A. is relying in its efforts to adjust agricultural production to the demands of the market.

It is not without significance that the present Secretary of Agriculture was a member of the group of three, including his father who was then Secretary of Agriculture, when the decision was made by the latter in 1923 that agricultural outlook reports should be undertaken. It is also of significance that in large measure the men who are responsible for carrying forward the work of the A. A. A. at the present time are men trained in the school of experience of the Bureau of Agricultural Economics while the endeavor was being made through outlook reports to peer into the future and to know the direction in which the agricultural ship should be steered in order to keep off of the shoals of low prices.

Sixty-nine pages are devoted to the chapter on marketing policy. This space is given largely to the general history of the state and national types of coöperative organizations such as those promoted by Sapiro, by the Farm Bureau Federation and by the Federal Farm Board, and to the price stabilization work of the Federal Farm Board. If one approaches this chapter with the expectation of finding a well balanced treatment of marketing policies in the United States he will be disappointed, for the coöperative movement "from the ground up" of the Plunkett type is neglected. The coöperatives which have participated most largely in the educational program of the American Institute of Coöperation, which constitute the vast majority of the successful coöperatives in the United States, receive little or no attention. Furthermore the splendid piece of work being

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done by the U. S. Department of Agriculture in providing daily market news service and shipping point and central market inspection service for fruits and vegetables, which provides the basis of order and honesty in this field of marketing, receives no attention. This is at first difficult to understand since Miss Campbell has given such an admirable exposition of the development of other phases of the work of the Bureau of Agricultural Economics. It is doubtless to be explained in terms of the fact that Miss Campbell has devoted these chapters on production and marketing to those phases of national policy which relate to the problem of securing satisfactory prices through production control or through the control of the flow of the supply of products into the markets. The chapter on the present situation is of course already past history because of the speed with which things have moved in Washington since March 4, 1933.

While this book is uneven in value and incomplete in scope it is an excellent presentation of the subject matter with which it deals and is commended as such to the student of national agricultural policy.

HENRY C. TAYLOR

ROME, ITALY

La Dictature du roi Alexandre: Contribution à l'étude de la démocratie. By SVETOZAR PRIBITCHEVITCH. Paris, Pierre Bossuet, Editeur, 1933.—324 pp. 30 francs.

Svetozar Pribitchevitch is one of the principal actors in the drama of Yugoslav politics. Born in Croatia of Serbian parents, he became interested in politics at an early age. At the beginning of the present century, while the Kingdom of Serbia was interested solely in the liberation of the Serbs living under Turkey, Pribitchevitch took a leading part in the organization of the Serbo-Croatian movement in Austria-Hungary. In 1905, when the Croatian-Serbian Coalition was formed, he became its General Secretary. In 1906 the Coalition became a majority party in the Croatian Diet at Zagreb, and it remained the chief political factor in the Yugoslav provinces of Austria-Hungary until the end of the World War. On October 29, 1918 the Croatian Diet severed all relations with the governments of Vienna and Budapest and created a National Council which assumed sovereign power over the Yugoslav provinces of Austria-Hungary in the name of the governments of Croatia and Slavonia, Dalmatia, Bosnia and Herzegovina, and Slovenia. The sovereignty of the

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National Council was recognized by the Kingdom of Serbia. Pribitchevitch was first vice-president of the Council. When Yugoslavia was created he became its first minister of interior. In 1927 he became one of the presidents of the Peasant Democratic Coalition; Stephan Raditch was the other president. In 1929, after the proclamation of the military dictatorship of King Alexander, he was arrested and interned in a small village near the Bulgarian frontier. In the summer of 1931 he was permitted to leave the country at the intervention of the government of France. At present Pribitchevitch is a political exile in Paris.

The book opens with a brief review of the history of the South Slavs, which is familiar to most students. Chapters i to iv contain an analysis of the political history of Yugoslavia from its foundation until the proclamation of the dictatorship. Chapters v to ix contain Pribitchevitch's solution for the Yugoslav crisis, a description of his personal relations with King Alexander, his views on the need for coöperation among world democracies, a critical review of the foreign policy of Yugoslavia, and a dramatic story of the tortures to which he was exposed by the dictatorial government. A special chapter at the end of the book, 50 pages long, gives a remarkable description of the famous Salonica Trial, which resulted in the execution of Colonel Dragutin T. Dimitrijevitch-Apis in 1917, and an account of the desperate financial position of the Karageorgevitch dynasty before it was called to the throne of Serbia as a result of the assassination of the last Obrenovitch for which Apis was primarily responsible.

The central thesis of the book is that the collapse of the parliamentary régime in Yugoslavia was not due to the inefficiency and corruption of politicians but to the interference of the king and the court camarilla with the processes of democratic government, and that the proclamation of the dictatorship was not due to the desire of the king to save the unity of the state. The various governments in Yugoslavia, with few exceptions, were not overthrown by the parliament but by the king. On July 7, 1928, after a number of Croatian deputies were assassinated in the Belgrade parliament and Stephan Raditch was fatally wounded by an intimate friend of the court, King Alexander suggested to Svetozar Pribitchevitch a complete separation of Croatia from Serbia as a solution for the crisis created by the parliamentary murders. This suggestion was rejected by Pribitchevitch and Raditch, who demanded new elections to be conducted by a non-political government. This demand was

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rejected by the king. The Peasant-Democratic Coalition left Belgrade and in a special session held in Zagreb on August 1, 1928, it adopted a resolution protesting against the hegemony of Serbia and stating that the parliament in Belgrade had no right to pass any legislation or to assume any financial obligations binding the country as a whole. Stephan Raditch died on August 8. Dr. Vladimir Matchek was elected to succeed him as co-president of the Peasant Democratic Coalition with Svetozar Pribitchevitch. On January 4 and 5, 1929, Matchek and Pribitchevitch were given audiences with the king and asked to suggest a solution for the political crisis. Their solution was dissolution of the parliament, new elections and convocation of a constitutional assembly for the purpose of revising the constitution in the direction of a Federalist state that would guarantee complete equality of the former provinces of Austria-Hungary with the Kingdom of Serbia. The question of the monarchical form of the state was not raised by either Matchek or Pribitchevitch. To the king, however, their proposal was not satisfactory. The dictatorship was proclaimed on January 6, 1929.

The dictatorial government, Mr. Pribitchevitch points out, continued to rule with the support of the same political persons who had enjoyed the confidence of the king during the parliamentary régime and whom the king had kept in positions of authority and responsibility. After four years of dictatorial government, the gulf that separates the Croats and Serbs of the former Austria-Hungary from the Serbs of the former Serbia has been widened. The only way out, according to Mr. Pribitchevitch, is the establishment of a federated republic, which would include within its frontiers Bulgaria and Macedonia as autonomous states.

What Mr. Pribitchevitch says about the internal political developments in Yugoslavia and especially about the rôle played by King Alexander is based almost entirely on his personal experiences. Some documentary evidence is produced, but on the whole the acceptance of Mr. Pribitchevitch's conclusions depends on the willingness of the reader to accept Mr. Pribitchevitch's testimony at its face value. Mr. Pribitchevitch has offered to prove before any impartial court in Yugoslavia that his allegations are true, that they can be supported by reliable witnesses, members of his political party, to whom he had currently reported his conversations with King Alexander from 1918 to 1929. The dictatorial government has not taken advantage of this offer nor has it in any way attempted to disprove the grave charges brought against King Alexander by one of the founders of the country.

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In the chapter on the Salonica Trial Mr. Pribitchevitch produces for the first time undeniable documentary evidence that Colonel Dragutin Dimitrijevitch-Apis was murdered by the Serbian government. This evidence consists of a telegram sent by Prime Minister Nikola Pashitch to his minister of interior, Ljuba Jovanovitch on March 4, 1917. Apis was condemned to death and executed on the ground that he had attempted to cause the assassination of Prince Regent Alexander, the present king of Yugoslavia. The telegram shows that six months after the attempted assassination was supposed to have been made Pashitch and his minister of interior were not agreed on the exact day when the attempt was made. In his telegram Pashitch suggests that it would perhaps be well to state that the attempt was made on September 12, 1916. It was finally agreed that September 11 was the day of the event. In addition to this documentary evidence, Mr. Pribitchevitch gives a wealth of material concerning the Black Hand, the White Hand and Dimitrijevitch's responsibility for the Sarajevo assassination which should prove extremely valuable to students of the origins of the World War.

Mr. Pribitchevitch's book is the only work by a responsible political leader of Yugoslavia about domestic and international problems of that country. No foreign student of Yugoslav and Balkan affairs can afford to miss it.

VASO TRIVANOVITCH

NEW YORK CITY

Church and State in Latin America. By J. LLOYD MECHAM. Chapel Hill, N. C., University of North Carolina Press, 1934.—viii, 550 pp. $4.50.

This volume contains the only comprehensive survey in English of relations between church and state in Latin-American countries. It considers politico-religious issues in both the insular and the continental states of Latin America. Some attention is even paid to the Black Republic of Haiti, which is now often designated as a Latin-American nation. This study is well equipped with references to authorities and contains an extensive bibliography. Unedited papers in the Genaro García Collection of the University of Texas Library have been utilized in that portion of the treatise which concerns our southern neighbor.

The work begins with a consideration of relations between church and state in the Spanish Indies during the colonial period. The rôle

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of the Roman Catholic Church in Spanish America during the protracted struggle for independence from the motherland is described in considerable detail. A separate chapter is devoted to politico-religious problems in each of the following countries: Colombia, Venezuela, Ecuador, Peru, Chile and Argentina. Bolivia and Paraguay are treated in the same chapter. Only one chapter is concerned with Uruguay and Brazil. Another chapter is allotted to the Caribbean republics, while a similar emphasis is accorded to the varied ecclesiastical history of five Central-American republics. The last three chapters are occupied with Mexico.

A central problem in the ecclesiastical history of Latin America is the *real patronato de Indias*—the right of patronage by which the Spanish monarchs undertook to control important appointments in the Catholic Church. Dr. Mecham finds the origin of this right to a large extent in the age of Ferdinand and Isabella. As has often been pointed out, because of the striking development of royal power during the rule of the Catholic monarchs, and because of concessions made by the Papacy, the Spanish king obtained an unprecedented control over the Church within his dominions. This author takes the questionable view that "undiminished allegiance" to the Roman Catholic Church was displayed in America during the protracted struggle which resulted in the separation of the Spanish colonies from the motherland. He rightly shows that the Papacy did not undertake to acknowledge the independence of the Spanish-American nations until 1835, when it recognized the State of New Granada without any understanding concerning the thorny problem of the patronage. Dr. Mecham properly takes the view that, upon framing their constitutions, the new Spanish states in America generally asserted that their national governments had inherited from the Spanish crown the right to make ecclesiastical appointments.

The reviewer does not find that the problems concerning church and state in Portuguese America are as satisfactorily treated in this book as those concerning Spanish America. The paucity of literature on the subject helps to explain why no attention is paid to the politico-ecclesiastical problems of Portugal during the colonizing era. To allot a part of one chapter to the religious history of Brazil is certainly not treating the largest country of South America generously. Among the topics considered in this book, besides the patronage, are the following: the attitude of parties toward politico-religious issues, stipulations in constitutions regarding church and state, issues concerning cemeteries and marriages, and concordats

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with the Papacy. Of special interest to students of Latin-American history in the United States is the searching discussion of ecclesiastical problems in Mexico. The author concludes that the politico-ecclesiastical struggle in that country has not yet terminated. Throughout the book the author indulges in frank and enlightening comment upon recent developments. In general, although of necessity based in part upon secondary accounts, this volume furnishes a useful and instructive survey of outstanding politico-religious issues in Latin America. Considerable time will elapse before it is superseded by monographs based upon the sources, which will treat separately in detailed fashion the momentous problems that have arisen between church and state in each one of the Latin nations of the New World.

WILLIAM SPENCE ROBERTSON

UNIVERSITY OF ILLINOIS

The United States and Cuba. By HARRY F. GUGGENHEIM. New York, The Macmillan Co., 1934.—xvi, 268 pp. $2.50.

Mr. Guggenheim has admirably achieved what was apparently his purpose: to present a clear and accurate picture of American-Cuban relations before 1933 for the benefit of the general reader. A diplomatic representative who has but recently terminated his service cannot of course say all which he might wish to say about a situation so delicate as that in Cuba, but the author nevertheless deals with his subject with refreshing frankness. He speaks with the authority of one who has not only made careful study of the history of Cuban-American relations, but who has also had an unusual opportunity for first-hand observation of the inner workings of Cuban politics.

The first two sections of the book cover historical material which will already be familiar to the student of Latin-American affairs: Cuban-American relations during the nineteenth century, the events leading to the war with Spain, and early relations with the Cuban Republic. In part three, which deals with the influence of the United States on economic development in Cuba, the author enters upon more controversial ground. His discussion of American investments and their effect upon Cuba is brief but well-balanced, and there is an obvious effort to see all sides of a problem which has too often been the subject of sensational or misinformed discussion. The section on sugar and the working of the Chadbourne plan is especially interesting.

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Part IV is a penetrating discussion of Cuba's chief political problems: corruption, a faulty electoral system, and "a reluctance to co-operate or compromise". The author endeavors especially to show how the Republic's political difficulties have affected her relations with the United States. His description of the workings of tropical American propaganda, and especially of what he terms the "claims racket", should be read with attention by anyone who attempts to form an opinion on Caribbean political problems without the advantage of an intimate knowledge of the countries involved. The description of some of the difficulties which confront an American diplomatic representative in a country like Cuba will strike a responsive chord in the minds of those who have dealt with similar problems.

Part V, entitled "The Unsatisfactory Evolution of the Relationship under the Permanent Treaty", again embodies much material already familiar to the student. The author's researches in the files of the Embassy at Habana, however, have enabled him to throw new light on some aspects of recent Cuban-American relations, and there are several interesting quotations from hitherto unpublished documents. While realizing the limitations under which the author was necessarily working, one regrets that he did not take up in much more detail the evolution of the relationship under the permanent treaty during the past ten or fifteen years.

The final section, on "The Revision of the Treaties", would be the most important and interesting portion of the book if the problem with which it deals had not been so effectively disposed of by the administration at Washington just as the book appeared. Mr. Guggenheim shows clearly the need for a modification of the Platt Amendment, and proposes that a new treaty be negotiated upon the assumption "that Cuba must work out her own salvation regardless of the mistakes that she may make". He reveals the fact that he recommended to the State Department, just before the end of President Hoover's administration, the consideration of radical modifications in the permanent treaty, to be offered to Cuba contingent upon the adoption of constitutional reforms and the reëstablishment of truly representative government. This recommendation was of course not acted upon at the time, presumably because of the impending change in administration.

The author makes no comment upon events which have occurred in Cuba since March 1933.

DANA G. MUNRO

PRINCETON UNIVERSITY

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The City-Manager Profession. By CLARENCE E. RIDLEY and ORIN F. NOLTING. Chicago, University of Chicago Press, 1934. —xv, 143 pp. $2.00.

In eight short chapters running to but one hundred pages, Ridley and Nolting have succeeded in presenting a history of the city manager movement, a job analysis of the manager's position, a statement of the available and desirable academic and practical training for managers, an outline of the procedure for selecting a city manager, a concise statement of the work and program of the International City Managers' Association, and a statistical and analytical description of the men who constitute the city managers of American cities.

The appendix is about one-third of the book and contains a complete list of "city-manager" cities and managers as of April 1, 1934, the constitution of the International City Managers' Association, the Managers' Association code of ethics, and suggested forms for use by a city in selecting a manager. There is also an excellent index and bibliography. It is scarcely necessary to say that the book as a book is up to the high standard of the University of Chicago Press.

The thesis of the book is in the title: there has been added to the professions a new calling—"The City-Manager Profession." This purpose of the book is implicit throughout. It is best set forth in Louis Brownlow's short, smooth-flowing, but deep foreword. There is the bulk of a graduate course in American local government for anyone who can read and understand all of that foreword. Brownlow, himself a former city manager, says the little book "sets forth the basis of the aspiration of the city manager to be recognized by the world as he has come to regard himself—as a professional man engaged in a professional work, governing himself by professional standards of training, obligations, and ethics" (p. ix).

The volume is addressed to a diverse audience: to the ordinary citizens, to councilmen, to the managers, to undergraduates, to students of government, to the press and to university deans. But in the main, except possibly in chapter v on the selection of a manager, the unity of the book does not suffer thereby. The most satisfied elements of this audience will be the managers and the councilmen. The deans will perhaps never find the brief suggestive comments on their curricula (p. 48 *et seq.*) nor appreciate how fundamental is the

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criticism of our higher education. The ordinary citizen and the student will scarcely feel that they have grasped the hand of the managers, or seen them at work, or had an insight into their spirit and life. The beatitudes of chapter ii remind one of nothing so much as the thirteenth chapter of I Corinthians:

> The city manager ordinarily handles citizens' complaints promptly. . . . His attitude toward citizens is one of genuine interest and helpfulness. He does not refuse to talk to anyone who has a legitimate request to make. He tries to see the citizen's point of view without necessarily agreeing with him. . . . The city manager never speaks in election campaigns, does not support candidates for office, and does not identify himself with any party or faction. . . . He is under no obligation to any group or party to make appointments dictated by them. His attitude toward any and all civic and political groups is one of frankness and friendliness, and he is quick to detect a false friendship that precedes a request for special service (pp. 28, 29).

Yes, indeed, "Love suffereth long, and is kind." But is this the way to make a workaday profession real to the citizen? The reviewer thinks it was better done by Leonard White in *The City Manager*—though of course he had more space—by Bruce Smith in brief compass in chapter iii of *Chicago Police Problems*, by Sinclair Lewis in *Arrowsmith,* and by Ibsen in *An Enemy of the People.*

The political scientist and journalist will be glad to have the book. It gathers together authoritatively and briefly the chief facts regarding the managers and the manager charters. There is certainly nothing better for bringing the textbooks up to date on these points.

Though one may shudder on reading the first sentence of chapter i ("The decentralized mayor-council form of government, based on the federal analogy of checks and balances, was the only type of city government that had been developed in the United States up to the end of the nineteenth century"), it is well to remember that most students of American local government still believe that orations on the federal constitution and the separation of powers had a profound retroactive influence on our early local institutions. And the typically American use and misuse of the terms "executive" and "administrative" are not to be charged up to the authors so much as to the laws, the courts, and the failure of students of administration to analyze and define these terms.

From the scientific standpoint it is rather notable that so small a group (251 association members) so widely scattered over the face of the earth should have developed such a high degree of self-

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consciousness and solidarity in such a few years. It would be valuable to have the story of how this took place before Otis, Waite, Childs, Hatton, O. E. Carr, Freeman and others pass off the scenes, while some can still remember the early meetings and motives, and the little part-time office at 261 Broadway made available by the Bureau of Municipal Research.

In modern society a profession is a significant social organ. It has great potentialities and great dangers. It is perhaps the most important device by which an egalitarian society can lift itself by its boot-straps to a higher plane. The standards of a profession—as best seen perhaps in medicine and engineering—are greatly advanced by its creative thinkers. These standards then become generally accepted not because the creative thinkers are accepted by the masses, but because the profession as such is accepted and can impose its changing standards on society. "City management" does not truly define the boundaries of the new profession. In time the territories must be extended. It is interesting that the authors recognize this, though inconspicuously (p. xiii), and that the new positions of managers separated from service in 1933 show extensive transfers to federal and other public service (pp. 93-94). Probably the city manager profession is destined to be recorded in history, along with the "municipal researchers," as the city manifestation of the rising tide of professionalism in the field of general administration of American government. To the political scientist this gives the Ridley-Nolting book more rather than less significance.

LUTHER GULICK

Force in Peace: Force Short of War in International Relations. By A. E. HINDMARSH. Cambridge, Harvard University Press, 1933.—xii, 249 pp. $2.50.

Sanctions and Treaty Enforcement. By PAYSON S. WILD, JR. Cambridge, Harvard University Press, 1934.—xv, 231 pp. $2.50.

When the Italians bombarded Corfu their government contended that these measures of coercion were not inconsistent with the Covenant. More recently Japan has killed thousands of Chinese and conquered a fair-sized empire while protesting indignantly against the charge of having violated the Pact of Paris. Such paradoxes have dramatized certain fundamental weaknesses in the post-war peace structure. One of these is the theme of Dr. Hindmarsh's monograph, which traces the use of force without resort to formal

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war from the private reprisals of the Middle Ages to the varied forms of state self-help employed in modern times. This use of force, he shows, has a two-fold character. On the one hand, it has been employed as a sanction of international law, perhaps necessary in a society in which moral constraint alone would not suffice and where there was no adequate international authority to which states might turn. But on the other hand it has been resorted to frequently for purely selfish reasons, so frequently as to constitute a menace to peace no less real than the institution of war itself. This is particularly true today since war has been "outlawed" but not force short of war. We have obviously not yet reached a stage where moral pressure alone will suffice, the argument continues, and therefore the use of force by individual states can be eliminated only by substituting an adequate system of coercive sanctions administered by international organs. In other words the heart of the sanctions problem is whether the coercion necessary to guarantee rights and enforce obligations will be applied by individual self-interested states or by the international community. There will be coercive sanctions in any case. By his emphasis on this choice and on the desirability of greater attention to the phenomenon of force short of war, Dr. Hindmarsh has made a distinct contribution to the literature of international relations.

Very different are the views expressed by Dr. Wild. After a preliminary chapter on the connection between the possibility of effective sanctions and the existence or non-existence of peaceful means of changing the *status quo,* the author passes to a consideration of the history and definition of the term sanction. He then discusses the sanctions of international law in general and from this turns to a historical review of treaty sanctions in particular, that is, the provisions in specific treaties designed to induce their observance. The descriptive portions of his treatise then conclude with a brief chapter on the implementation of treaties.

Upon the basis of this material Dr. Wild reaches certain conclusions as to the desirability of the use of force by international agencies. The final goal, he feels, is undoubtedly a world police force responsible only to an international authority. But the goal is far off and he fears lest we place our reliance on international coercive sanctions prematurely. Force alone can never win compliance with treaty engagements. There must be also a larger measure of agreement on fundamentals than has yet appeared in the society of states. Even within states when this agreement on fundamentals disappears

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neither police nor army can prevent collapse into civil war or anarchy.

Dr. Wild also lays much stress on the absence of adequate machinery for the revision of treaty arrangements by peaceful processes. This makes it doubtful if a state that feels constrained to resort to violence to change an unjust *status quo* will be generally regarded as an "aggressor" against whom sanctions ought to be employed. At the present time, therefore, statesmen seeking international peace had best proceed cautiously. They can seek to prevent conflict and foster coöperation wherever possible, thus helping to develop a true international community. But in the opinion of the author pledges of collective sanctions of treaties should not be made beyond promises of consultation when occasion arises—a consultation that may or may not be followed by joint action as circumstances dictate.

Dr. Wild's book is subject to certain criticisms. Having defined sanctions in an early chapter, its author is not wholly consistent in his use of the term. There is also what seems to the reviewer an unnecessary amount of repetition. It is curious to find no mention of Sir John Fischer Williams' stimulating little book on *International Change and International Peace.* Internal evidence suggests that Dr. Wild has used the valuable study on *Boycotts and Peace* issued under the direction of the Twentieth Century Fund, but it is not listed. The bibliography does not contain all the titles cited, the citations themselves are not always clear and there are too many slips in proofreading. But Dr. Wild has brought together much valuable material and his book deserves the attention of students of international relations.

THOMAS P. PEARDON

BARNARD COLLEGE

The Industrial Revolution in North Wales. By A. H. DODD. Cardiff, University of Wales Press Board; New York, Oxford University Press, 1933.—xxxi, 439 pp. $3.75.

No concept provided by the study of economic history has made so great an impression in the learned world as a whole, or had so popular an appeal among the public of non-scholars, as that of the "Industrial Revolution." This is becoming an increasing source of embarrassment to economic historians, many of whom find the concept, as it emerges especially from the works of Held, Toynbee and Mantoux, a serious handicap to an understanding of the processes by which modern industrial civilization has been brought into being.

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If the concept is to survive as an explanation of the triumph of industrialism, it must be reconstructed along very different lines, and Professor Gay is now engaged upon this important work of reconstruction. At present, the tendency is to divest the term of its original significance and simply to use it like the terms Elizabethan Age or Age of Louis XIV, to cover a period of history, in this case the period from about 1760 to about 1832.

This is the sense in which Professor Dodd uses the term "Industrial Revolution" in the work under review, though he extends his survey to 1840 and in some cases beyond. Economic historians who first studied the period focused their attention upon English development and especially upon the progress of the textile industries of Lancashire and Yorkshire. It was inevitable that a one-sided picture should have resulted from such treatment, and increasing attention has been given since the War to subjects neglected by earlier scholars. Among other works, the recently published studies of Rees on South Wales and Hamilton on Scotland, together with the book under review on North Wales, have made it possible to consider the economic history of Great Britain as a whole in the late eighteenth and early nineteenth centuries.

Professor Dodd's book is a distinguished contribution to our understanding of this period. While he has not hesitated to make full use of good monographs when they could help him, he has ransacked large quantities of new material, in local manuscripts, parliamentary reports, contemporary tracts, newspapers and periodicals, a full list of which is given in his bibliography. He presents his results in an attractive style, and lightens the way especially for the American reader, to whom Welsh place names are usually a mystery, by including a series of excellent maps. Mr. Dodd modestly disclaims finality for his treatment of any of the subjects in this book, but it may be doubted whether the main lines of economic development in North Wales from 1760 to 1840, as he has worked them out, will ever be substantially modified. Unlike many general economic histories, his work is a genuine and well balanced survey of all those subjects which ordinarily come within the scope of this branch of knowledge. The history of the various industries occupies the most space, but there are also excellent chapters or sections on farming, enclosures, communications, banking, pauperism and emigration. The space allotted to each subject bears a close relation to the importance of the various occupations in the life of North Wales. For example, the mining and smelting of copper and lead, which have been fre-

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quently neglected in the study of British economic history, but which were very important industries in North Wales, are here given the full treatment which they deserve. Another feature of the work, which makes it especially valuable, is the continual comparison which Professor Dodd makes, on the one hand, between the development in his period and in the preceding and following periods, and, on the other hand, between development in North Wales and in other parts of Great Britain. His results can be dovetailed with exceptional felicity into the composite picture of British economic history which is being gradually produced by the coöperative efforts of many scholars.

The impression which emerges from his work is that the term "Industrial Revolution", in its original sense, can be more appropriately applied to North Wales than to any other part of Great Britain. Machinery driven by steam power was introduced here between 1760 and 1840 more slowly than in many parts of England, but its introduction involved a much more violent dislocation of old ways of living, because of the economic backwardness of North Wales. Up to the era of Parliamentary enclosures, the enclosure movement had made no headway comparable to that in England. Except in connection with coal-mining and lead-smelting in Flintshire, where development was handicapped after the beginning of the eighteenth century by the loss of the Dee Channel, extensive plants owned by one or more private capitalists in which workmen labored for wages—a form of enterprise common, as we now know, in a great many English industries long before 1760—scarcely existed at that time in North Wales. Nor, except in connection with the weaving of Welsh woolens for sale in England, was the region really touched as yet by that quasi-capitalism under the "domestic system"—with men working for wages in their homes on materials supplied by their employers—which had been making very great progress in England and most European countries since the thirteenth century, especially in textile manufacturers and the metal finishing trades. Consequently, the introduction of steam-driven machinery into North Wales from 1760 to 1840 involved more rapid and cataclysmic changes in the forms of industrial organization than across the English border, as Professor Dodd shows in two illuminating chapters on "The New Capitalists" and "The Labouring Poor." He finds that the effect of these changes upon the material welfare of the working classes from 1790 to 1840 was probably even less favorable than in England (p. 347). But this

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upheaval was not followed, as in England, Scotland and South Wales, by a further expansion of heavy industry at an accelerated rate during the remainder of the nineteenth century. Indeed, the textile and metallurgical industries, which sprang into importance at the end of the eighteenth and beginning of the nineteenth centuries, rapidly declined after 1860. Today nearly all traces of an age in which the copper of Anglesea (with that of Cornwall) dominated the world market and the road from Wrexham to Ruabon was lit at night by the immense glare from three different ironworks, have disappeared, and North Wales is thought of by the tourist chiefly in terms of holiday scenery and the remains of medieval buildings. "The railway, which elsewhere brought with it a period of feverish expansion, helped to nip the Industrial Revolution in the bud" (p. 119).

Thus the economic history of North Wales from 1760 to 1840 helps to show how unsatisfactory is the original concept of an "Industrial Revolution" as a means of explaining the dominance of large-scale industrial enterprise in our time. In North Wales, where the rate of industrial change in this period was, unlike the rate of change in other parts of Britain far more rapid than ever before or since, industrialism failed to take root. Where it triumphed, the history of the rapid spread of industrial capitalism must generally be extended in both directions far beyond the chronological limits 1760 and 1832.

JOHN U. NEF

UNIVERSITY OF CHICAGO

Leninism. By JOSEPH STALIN. Translated by Eden and Cedar Paul. New York, International Publishers, 1928-1933. 2 vols.—472, 468 pp. $2.50 each.

Those interested in political theory will not find anything new in this collection of Stalin's articles and speeches. He himself does not claim authorship of new and original ideas. His position is that of a faithful interpreter of the revelation, a guardian of orthodoxy. The fundamentals of the dogma cannot be questioned, and discussion is permissible only within its limits. In every case final authority is the word of the master. "Lenin says", with an appropriate quotation, is used again and again to prove the correctness of the "general line" of the party and to confound the dissenters. Neither was Lenin an originator of new theory. He merely developed the basic ideas of Marx in accordance with the conditions of his times.

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Consequently, Leninism is defined as "Marxism of the epoch of imperialism and of the proletarian revolution". It is an international doctrine, and it should not be looked upon as a "product of Russian primitiveness". The core of Leninism is the dictatorship of the proletariat, and not the solution of the peasant problem, which is of a derivative and subsidiary nature. The historical fate of the Russian peasantry is to serve as a "reserve force for the proletariat". A similar part is assigned to the oppressed nationalities of the colonial and dependent countries. All this is familiar from Lenin's writings.

Opinion has been expressed that Stalin's original contribution consists in the theory of "socialism in one country". Stalin himself has no such claim to make. Here too he merely tries to follow Lenin. The genesis of the idea is characteristic. As late as April 1924 Stalin still shared the belief that the final victory of socialism could not be gained in one country alone, and "without the joint efforts of the proletarians in several of the most advanced countries" (vol. I, p. 52). But only six months after that he found himself forced to "rectify" his position by giving a new and ingenious interpretation to the conception of "final victory of socialism" in Russia. By such a victory one should understand a complete guarantee against the restoration of capitalism by means of foreign intervention, and for this a proletarian revolution in other countries was necessary. But as to the upbuilding of a socialist system in Soviet Russia, this was "possible and necessary by the unaided forces of that country". Apparently, during these six months Stalin's attention was called to Lenin's pamphlet on "Coöperation" in which the master had proclaimed "the indisputable truth that we have all the requisites for the establishment of a fully socialized society" (vol. I, p. 54). "Lenin said"—and the new interpretation became the "general line" of the party, while Stalin's own original position assumed the character of a dangerous heresy. Neither was a "new doctrine" a departure from internationalism, as it was described by some writers. Stalin is emphatic on this point. "For what else is our country, the country that is building up socialism, but the base of the world revolution?" (vol. I, p. 63). The change, in other words, was in tactics, not in aim or in spirit. And we get a revealing light on the psychological motive behind it. With the hope for an immediate world revolution gone, a substitute was needed. "We cannot upbuild socialism without a belief in the possibility of what we are trying to do" (vol. I, p. 56). Indeed, how can one?

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The book derives its importance from the fact that the author is the dominating figure in Soviet Russia. Stalin himself is very modest as to his personal position. Apparently his ambition does not go beyond being the principal spokesman for the Political Bureau of the party. "The only way of leading the party is by a collectivity of some sort. Now that Lenin is dead, it is absurd to think, or talk, or dream of anything else" (vol. I, p. 457). Behind this appearance of "collectivity", however, there is hiding a formidable personal power, surely no less absolute than that of Hitler in Germany or Mussolini in Italy. It is curious to watch throughout the pages of these two volumes, covering the period of 1924-1931, the growth of Stalin's prestige and authority. In the beginning he is still one of the several forces contending for the control within the party, and occasionally we find him on the defensive, trying to explain his position and to rectify his errors. At the end he is the indisputable leader of Soviet Russia, laying down the law, and making final pronouncements *ex cathedra*.

The impression which most of these pronouncements make upon the reader is somewhat monotonous. With few exceptions they are variations upon one and the same theme. It is significant that during all this period the Soviet government was moving within a vicious circle, facing essentially the same problems and experiencing the same difficulties. The fundamental paradox can be described, in Trotsky's words, as "contradictions inherent in the position of a workers' government functioning in a backward country where the large majority of the population is composed of peasants." In its attempts to get around this difficulty the communist dictatorship tried different methods, all of which are recorded in Stalin's speeches and articles. We can follow the gradual change from the conciliatory attitude of 1924-1925, when even the kulaks were not to be provoked, to the new socialist offensive in the rural districts, with its "mass collectivization" of peasantry and its policy of "liquidating the kulaks as a class." One of the last chapters in the second volume, Stalin's political report to the sixteenth conference of the Communist Party, is a paean of victory, full of assurances of final success. Perhaps, to some readers it might appear convincing. To the present reviewer, who is frankly skeptical, it is primarily an exhibition of official optimism, and as such belongs to the least valuable parts of the book.

MICHAEL KARPOVICH

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Health and Environment. By EDGAR SYDENSTRICKER. New York and London, McGraw-Hill Book Co., 1933.—xii, 217 pp. $2.50.

This is one of a series of special monographs, published under the direction of the President's Research Committee on Social Trends, embodying scientific information assembled and analyzed for the Committee in the preparation of its two-volume report, *Recent Social Trends in the U. S.* It makes available additional supporting evidence for conclusions published in the more extensive work.

The first chapter serves as an introduction to the discussion of the relation of environment and heredity to problems of public health. In nine other chapters the following topics are presented: The Nature and Extent of Ill Health (ii), Geographic Environment (iii), Urban and Rural Environment (iv), Economic Status (v), Social Environment (vi), Occupational Environment (vii), Trend of Mortality (viii), Environmental Changes and Health (ix), and Genetic Aspects of Mortality Trends—Conclusions (x).

The purpose of this volume is to review the evidence as to the interrelationships between health and environment, both physical and social, but especially the social environment. In following out his admirably conceived plan the author does not lose sight for a moment of the relations between health and heredity. Of course, no single index of health and of vitality exists. In this work are brought together and carefully analyzed the best available data on the prevalence of physical impairments and diseases, of illness and mortality.

The reader will find critical evaluation of the data and frank statements concerning gaps in our information. Final interpretations are reserved where the implications of the available statistics are not clear, or where the facts are inadequate. The direct relation between economic status and the ability to purchase medical care is strongly emphasized. The relations of occupation to health are well known but receive new and searching examination in this study.

The downward trend of mortality is generally familiar, but that the expectation of life after middle age is shortening, especially for males, is less commonly known and may be of serious import. Are the unfavorable changes in death rates at older ages due to living conditions, industrialization, urbanization, or to changes in innate longevity? Are they to be accounted for by dysgenic effects of preventive medicine and public health policies, which, as some allege, tend to preserve through youth and middle age the short-lived stock?

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The student of health problems and their relation to the quality of the population will be interested in Sydenstricker's conclusion that "other factors have had a far greater influence than genetic factors, within the comparatively short period of our history, in determining the rate at which the American people survive" (p. 205). It is the opinion of the author that "broad scientific conclusions as to the trend of the vitality and the health of the American people cannot yet be drawn, because we lack many of the essential facts." He does venture the opinion, however, that "what data we now possess . . . on the whole somewhat assures us that the prevention of that mortality and that ill health which are demonstrably due to unfavorable environment will not weaken the race. On the contrary we may be reasonably certain that the race will be more vigorous and happier even if the span of life is not affected" (p. 209).

This monograph is rich in materials selected and assembled from many sources, but it is much more—it will serve as a permanent guide to students of vital statistics and public health in method, in clear thinking and statement of hypotheses, and in carefully guarded interpretations of objective data.

ROBERT E. CHADDOCK

Property or Peace. By HENRY NOEL BRAILSFORD. New York, Covici-Friede, 1934.—346 pp. $3.00.

This brilliant book by the brilliant British author of *The War of Steel and Gold* is another comprehensive diagnosis of the ills to which the world is heir—and another comprehensive "cure". The diagnosis, as is often the case, is more convincing than the cure. It restates, with admirable clarity and lucidity, enlivened by passages of genuine insight and sparkling satire, what has already been said (though seldom so cleverly or persuasively) by innumerable "left" commentators on the economic muddle and the international anarchy. Mr. Brailsford's work is in part an undocumented socio-political analysis and in part a polemic. It is also a work of literary art, for the author is an excellent propagandist of the more refined sort, appealing to "reasonable" liberal intellectuals. Its style is that of *The New Republic*, to which the author contributes frequently. Its content is that of a somewhat advanced parliamentary socialist.

The thesis is a familiar one: democracy is everywhere in retreat and on the defensive. It has failed to bring economic security and international peace. The Great Depression is due to maladjustments

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inherent in an economy resting upon private property and profits. The breakdown of the League and the renewed danger of war are due to the nationalistic concept of sovereignty. These two causes of disorder are intimately related. "Sovereignty is, in the international world, what Property is in the industrial realm. Its hard core is recalcitrant to control; in proportion as it can maintain its rights, we fail to establish order" (p. 142). Capitalism begets imperialism. Imperialism begets competitive armaments and war. "Property, in short, is the principle of anarchy and the enemy of society. . . . It is the disease of which slumps and wars are symptoms" (p. 249).

This thesis is presented in a most engaging fashion, with realistic treatments of Fascism, the breakdown of international sanctions, the failure of disarmament, the crisis in Austria, etc. Mr. Brailsford's analysis of the central problem of international organization is worth half a dozen texts in the field. His comments on Great Power politics and the dynamics of war are admirable. Much of what he says must be subscribed to by all social scientists who have taken the trouble to think below the surface of their subject matter. And the lay reader who is not convinced by Mr. Brailsford's eloquence must be very obtuse and tough-minded indeed.

In prescribing his remedy, the author is equally eloquent but less realistic and convincing. He follows the Marxists—up to a certain point. Property must go. A federation of the world must be established. Fascism must somehow be liquidated. These things can be done only by the proletariat. But as to means, Mr. Brailsford still believes in democratic methods, "constitutionalism", and a slightly radicalized British Labour Party. Violence must be avoided, unless the ruling classes resort to it first. The idea is "repugnant to normal Englishmen, and most of us would prefer to ignore it" (p. 260). Provocative words and deeds must be eschewed. "Our chance of success depends on our ability to persuade reasonable men that society, as it exists today, is a perilous chaos that rejects the plenty and happiness that rational organization promises" (p. 261). Forward—by the ballot box—toward Utopia.

The basic defect in this otherwise excellent and stimulating treatise lies in the author's neglect of mass psychology as it is related to political behavior. Through the rose-colored glasses of British liberalism, he sees men moved by their "interests" and capable of intelligent action if only their interests are made clear to them.

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> The principle is, surely, that society must think, while it organizes, produces, and acts. . . . Unless it thinks freely it does not think at all. . . . A society is no society unless collectively it thinks. It cannot think without the freedom to deny as well as to affirm. Freedom is essential to our ideal. But we conceive of it as the character of a society, rather than the right of an individual. It shall be a rational society that abolishes class, and builds a creative peace on the cooperation of all who work (p. 329).

The only thing wrong with these propositions is that they are untrue—and therefore unworkable as blueprints of salvation. No society ever "thinks". Ratiocination is not a means of social cohesion, nor yet a drive to political action. No society was ever "rational", nor ever will be. The political animal feels and acts as he has been conditioned to feel and act by the symbol content of his environment. Collective emotions are the springs of collective behavior. Collective "thinking" is a contradiction in terms. In an age in which rationality is discredited and political mysticism is in the ascendancy, Mr. Brailsford turns back with yearning to the pretty dream of a world that never was. Social psychologists and political scientists may sympathize with his nostalgia, but they cannot accept or respect it. Lenin, Hitler and Mussolini know better. Wilson, MacDonald, Snowden, Henderson followed Brailsford's road. It leads to futility. The other road leads to power—albeit through violence and barbarism. Liberalism is doomed, in large part because it cannot and will not adopt the weapons of its enemies. If it did so, it would no longer be liberalism. Help!

FREDERICK L. SCHUMAN

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FIG. 1. SATYR OF VILLA ALBANI
(Vatican, Rome)

FIG. 2. LAOKOÖN
(Vatican, Rome)

FIG. 3. APOLLO OF BELVEDERE
(Vatican, Rome)

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FIG. 4. BELVEDERE TORSO
(Vatican, Rome)

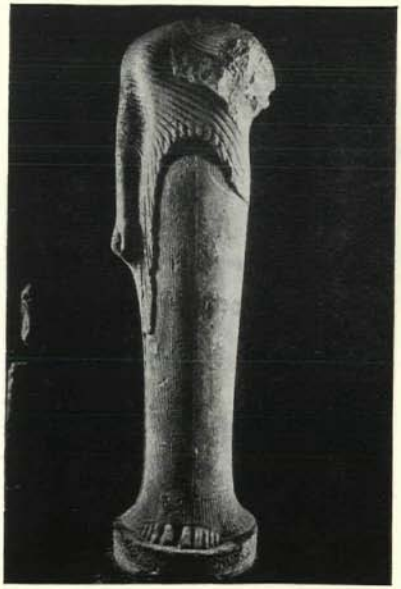

FIG. 5. STATUE DEDICATED TO HERA AT SAMOS
(Louvre, Paris)

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FIG. 6. ARCHAIC BRONZE HORSE, 9TH OR 8TH CENTURY
(Private collection, New York)

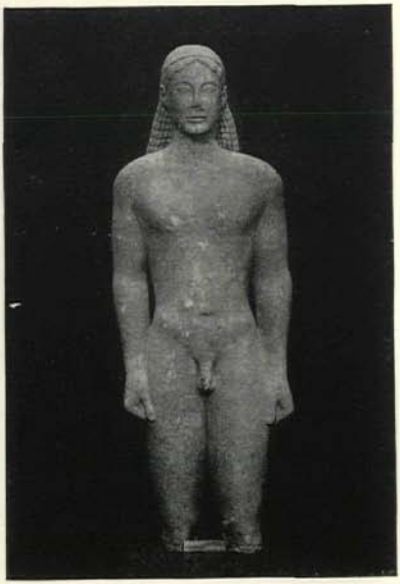

FIG. 7. APOLLO OF MOUNT PTOUS
(Athens)

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FIG. 8. ARCHAIC STANDING MAIDEN
(Berlin)

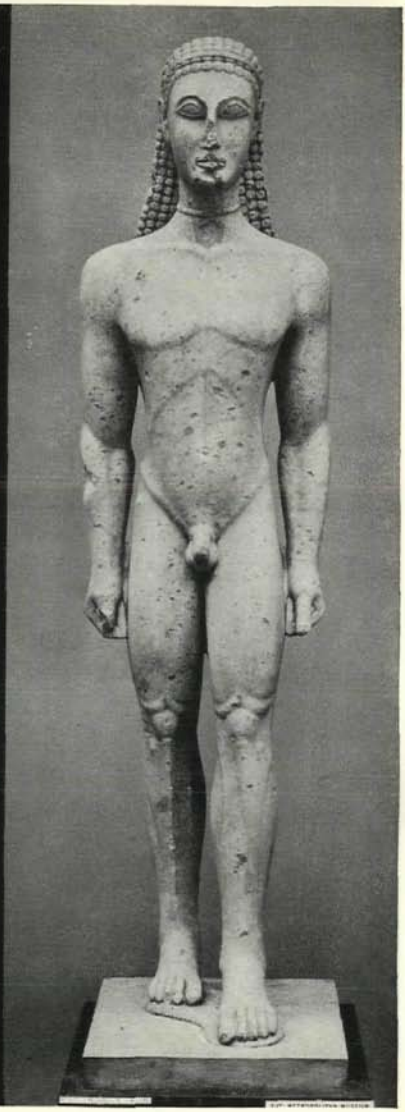

FIG. 9. ARCHAIC APOLLO
(Metropolitan, New York)

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